Finance Committee Meeting
October 17, 2017

Committee Members Present

Mr. Glenn Schloeffel, Chairperson
Mrs. Beth Darcy, Board President
Mrs. Susan Vincent, Director of Finance
Mr. Dave Matyas, Business Administrator

Committee Members Not Present

Mr. Paul Faulkner, Member
Dr. Jerel Wohl, Member

Others in Attendance

Mrs. Sharon Collopy, Board Member
Mr. John Kopicki, Superintendent
Dr. Scott Davidheiser, Assistant Superintendent
Mr. Ed Tate, Director of Communications

The meeting was called to order at 6:05 p.m. by Mr. Schloeffel

PUBLIC COMMENT

There was no public comment.

REVIEW OF MEETING NOTES

The September 19, 2017 Finance Committee Meeting minutes were reviewed and approved without changes.

INFORMATION/DISCUSSION/ACTION ITEMS

Review of Finance Information Items:

Mrs. Vincent provided a handout with final numbers from the 2016-2017 year of operations. Information was included regarding the adjusted budget, final expenditures, the balance and the percent committed. She noted that almost the whole budget was spent on the expenditure side, the budget is almost 100% committed in most categories. Unless auditors come back with a change, which has not been indicated at this point, the numbers presented represent the final 2016-2017 budget. The $6,646,000.00 of subsidy money transferred to Capital Funds was outside the budgeted transfers, which makes the budget appear to be overspent. Mrs. Vincent noted that the budget was not overspent. The district spent $317.5 million out of a $318 million budget, leaving $1.2 million as a balance from our operations.

Mr. Schloeffel inquired if there were any items of note in the final budget. Mrs. Vincent identified healthcare as an item to be reviewed. There could have been a $3-4 million surplus if healthcare costs had not run so high. Mr. Matyas noted that the budget was underspent by about $1.3 million dollars despite the high healthcare costs. Mr. Schloeffel asked if information could be provided that showed what the initial budget was and exactly how much money was spent (discounting transfers). Mrs. Vincent will supply a one-page summary showing how the budget aligned with actual expenditures.

The 2017-2018 budget increased by 4.08% over the 2016-2017 budget, and shows a 4.05% increase over the actual expenditures for the 2016-2017 year. Most of the increase in the 2017-2018 budget is attributable to payroll and fringe benefits. Mr. Schloeffel asked if the 2017-2018 fringe budget looked to be an accurate prediction. Mrs. Vincent noted that the Consortium adjusted the District's stop loss premium down from 2016-2017. Stop loss premium payments were large last year, stop loss claims were low. That disparity showed as a large expense in the 2016-2017 budget. For 2017-2018, the stop loss premium charge is lower, leaving a lesser portion of the payment that will be expensed.

<u>Review of Professional Services Contracts</u>:
Mrs. Vincent presented a summary of contracts from the Human Resources Department. Mrs. Vincent reviewed the items with Ms. Didio-Hauber, who detailed some updates regarding the current contracts.

Several vendors have provided advertising for the district. Ms. Didio-Hauber has entered into a new arrangement with Zip Recruiter, which will charge one fee to place advertisements with all previous vendors utilized. Costs for advertising are expected to decrease using Zip Recruiter, a cost review will be done at the end of the year.

The contract for office supplies is currently held by Office Basics. Purchasing reviews the RFP annually and the contract is awarded to the best quote.

Legal services are contracted with several firms.

Frontline Technologies provides substitute placement and attendance software for the district. License costs for the service increase about 3% per year, partially due to staffing increases. There is one license cost for staff requiring substitutes, and a lower cost for staff that do not require substitutes. Frontline completes a review of district staffing needs in April of every year, and our licensing costs are adjusted accordingly.

Stedi-Sub Teaching is a training program for applicants to the district's Emergency Certification program for substitute teaching.

The current vendor for Act 168 clearance checks is AccuTrace. The district will be changing vendors to the Lancaster I.U., which provides better services and pricing.

<u>Initial Budget Review for the 2018-2019 School Year</u>:
Mr. Matyas gave a budget presentation for the 2018-2019 school year. The budget for last year was $318.8 million with a positive revenue variance of $5.4 million. Expenses came in approximately $1.3 million under budget, leaving a total positive budget variance of $6.7 million (slightly over 1% of the total revenue/expense budget). The one-time revenue benefit from PDE for construction reimbursement is not included in the budget. The revenue benefit was not expected, and including it would not have shown a true representation of how the 2016-2017 budget actually performed.

Mr. Schloeffel asked what contributed to the positive revenue variance. Mr. Matyas noted that it was mostly local revenues, including real estate taxes and earned income taxes. Mrs. Vincent commented that earned income taxes increased by approximately 5% over the trend of the last couple of years. Transfer taxes were a little lower than expected, however real estate taxes were solid. Mr. Schloeffel asked how the increase in EIT and real estate taxes would be shown in the next budget. Mrs. Vincent noted that an increase in EIT in one year typically meant a more modest number collected for the next year, so that more modest expectation will be included in the next budget.

Mrs. Vincent feels that real estate transfer tax revenues is a line that needs to be monitored. Revenues were under budget for 2016-2017, and the budget line for 2017-2018 was bumped higher. She anticipates without a significant increase in transfer tax revenues the district will be under budget on that line again.

The positive budget variance of $6.7 million was utilized as follows:

- $400,000 transferred to Transportation Capital Fund
- $150,000 transferred to the Short Term Capital Fund for athletic field equipment needs
- $5,450,000 transferred to the Technology Capital Fund

Total transfers leave a positive variance of an unassigned $707,044 added to the General Fund, Fund Balance.

The 2015-2016 General Fund balance was $13,997,592. With the addition of the 2016-2017 Positive Variance of $707,044 the projected 2016-2017 ending General Fund Balance will be $14,704,636. That unassigned Fund Balance represents 4.4% of the 2017-2018 Budget, just under the board policy percentage of 5%. PDE allows districts an unassigned General Fund balance up to 8%. Please note, these amounts are prior to the completion of the final audit so they may change, but not significantly.

Mr. Matyas presented budget forecasts for the next five years. The forecasts included details on salary and hourly budget increases, benefit budget increases, PSERs contribution increases, and other expense budget increases. Some items highlighted included:

- A 16% increase in 2017-2018 prescription costs from last year due to an abnormally low expense for 2016-2017.
- Life Insurance for 2017-2018 is down 13%, representing a substantial savings on the life insurance line.
- Healthcare costs for 2018-2019 are anticipated to decrease by about 3% due to the Consortium's reconfiguration of healthcare plans. Current plans are too expensive, and the Consortium is considering ways to offer more affordable plans.
- State Retirement cost increases will trend down in the coming years, as long as the retirement system continues to earn a consistent rate of return.

Mr. Matyas presented forecasted details for the Technology Capital Fund, the Long Term Capital Fund, and the Short Term Capital Fund. He noted that there is an anticipated budget increase for the 2018-2019 school year of about 2.23%. The increase does not include any budget initiatives or any extra staffing positions. In summary, Mr. Matyas noted that the district is in good financial shape for the 2018-2019 school year.

Mrs. Darcy thanked Mr. Matyas and Mrs. Vincent, noting that the budget numbers for year-end were great. She believes that it reflects decisions that were child-centric and classroom centric - focusing on ways to save money in other areas like life insurance and healthcare costs.

Update on Contracting Out for Substitute Teachers:
Mr. Matyas presented a memorandum from Ms. DiDio-Hauber on the status of a feasibility study for outsourcing day-to-day substitute positions. Key to any contract would be language that would require district fill rates remain at the 93-98% current rate.

Update on PSERs:
Mr. Matyas presented some general information on PSERs. The retirement fund earned a rate of return greater than the 7.25% assumed earnings on investments. This will help keep the cost of PSERs retirement from increasing in the future.

Long Term Investment Rates and Potential Investment Amounts:
Mrs. Vincent noted that at the last meeting there was discussion about taking some funds from the Long Term Capital Fund and Debt Service, and exploring what additional interest earnings may be gained from longer term investments. Current interest rates on monies in the General Fund Balance, Long Term Capital and Debt Service Funds are earning at 1%. Mr. Matyas and Mrs. Vincent believe it may be feasible to take $10 million of the General Fund balance, $15 million of Long Term Capital, and the Debt Service Fund of $19.8 million and make either an 18-month or 24-month long term investment. The 18-month investment could have a 1.4% interest rate, the 24-month could have an interest rate of 1.5%. An additional $164,000 could be earned with an 18-month investment, $200,000 for 24 months. Those longer-term interest rates were found with some initial research, more extensive research could be done to find a better interest rate if it were determined that the district was interested in pursuing that idea.

Mr. Matyas cautioned that before the district commits to any long-term investment, a projected cash flow from the Feasibility Study should be completed.

Mrs. Darcy commented that since the monies mentioned were not the only cash on hand, the idea of earning several hundred dollars in interest was appealing. Those earnings will help the district in avoiding future tax increases. Mrs. Vincent will have further discussions with some financial institutions, giving them hard numbers to perhaps increase the interest rates offered.

Transportation Study Update:
Transportation Advisory Services (TAS) will be on site October 24th and 25th doing interviews with transportation staff, Mary Kay Speese (special education needs), Danielle Turner (athletic service needs) and Mr. Matyas. Principal surveys are currently being completed. The district is providing TAS with complete data of all bus runs. TAS will review the data and make recommendations for cost savings.

Mrs. Collopy noted that the review is really a three-part process including the transportation study, the internal review of the sports busses, and an internal review of the bus stops in the district. She agrees that TAS can make recommendations based on the data, but believes we need CB staff to provide a more detailed review of the bus stops and sport bus runs. She gave an example of seeing bus stops in a development that were only a hundred yards apart, which does not seem very efficient. She also reiterated her objection to the cost for the Lenape/West sports bus run. Mrs. Darcy commented that her three children were not assigned to the same stop, even though they were riding the same bus. She agrees that CB staff need to be involved in creating a more efficient system.

Mr. Matyas discussed the internal analysis that will be done to determine what would need to happen in Transportation if high schools/middle schools had a later start time of 8:30.

Two busses have been eliminated for this school year, at a cost savings of $100,000.

2016-2017 Final Budget Transfers:
Mrs. Vincent discussed the final budget transfers for the 2016-2017 school year. The transfers will be submitted for board approval at next week's board meeting.

ADJOURNMENT:
The meeting was adjourned at 7:13 p.m.

NEXT MEETING:
The next meeting of the Finance Committee will be November 15, 2017.

Central Bucks School District

Finance Committee

Board Room of the Education Services Center – 16 Welden Drive

Tuesday October 17th 2017, 6:00pm Projected time – 1 Hour and 30 Minutes

Glenn Schloeffel, Chairperson	**Paul Faulkner, Member**
Beth Darcy, Member	**Jerel Wohl, Member**
Dave Matyas, Business Administrator	**Susan Vincent, Director of Finance**

Agenda

1) Call to Order	Chairperson	Start Time
2) Public Comment	Chairperson	
3) Approval of Prior Meeting Minutes	Chairperson/Committee	Pages 1 - 5
4) Information / Discussion / Action Items		
a. Review of Finance Information Items	15 minutes Susan Vincent	Handout
b. Review of Professional Services Contracts	15 minutes Susan Vincent	Page 6
c. Initial Budget Review for the 2018-19 School Year	30 minutes Dave Matyas & Susan Vincent	Pages 7 - 24
d. Update on Contracting out for Substitute Teachers	5 minutes Dave Matyas	Page 25
e. Update on PSERS	5 minutes Dave Matyas	Pages 26- 27
f. Long Term Investment Rates and Potential Investment Amounts	5 minutes Susan Vincent	Page 28
g. Transportation Study Update	5 minutes Dave Matyas	Page 29
h. 2016-17 Final Budget Transfers	5 minutes Susan Vincent	Page 30
5) Adjournment	Chairperson	End Time
6) Next Meeting Date: November 15th, 2017		

Information Items

* Treasurers Report	Pages 31 – 44
* Investment Report	Pages 45 - 50
Other Funds Report	Pages 51 – 52
Tax Collection Report	Page 53
Payroll Report	Pages 54
Benefit Report	Page 55
LOGIC Report on Banking	Handout

*** This item(s) may be on the public board agenda for action.** **~ This item(s) may require an executive session.**

Please note: Public comment should be limited to three minutes

Committee Members Present

Mr. Glenn Schloeffel, Chairperson | Mrs. Susan Vincent, Director of Finance
Mr. Dave Matyas, Business Administrator

Committee Members Not Present

Mrs. Beth Darcy, Member | Dr. Jerel Wohl, Member
Mr. Paul Faulkner, Member

Others in Attendance

Mrs. Sharon Collopy, Board Member | Dr. David Bolton, Assistant Superintendent
Mrs. Karen Smith, Board Member | Mr. Robert Kleimenhagen, CFM,SFP Director of Operations

The meeting was called to order at 6:01 p.m. by Mr. Schloeffel

PUBLIC COMMENT

There was no public comment.

REVIEW OF MEETING NOTES

The August 16, 2017 Finance Committee Meeting minutes were reviewed and approved without changes.

INFORMATION/DISCUSSION/ACTION ITEMS

Review of Finance Information Items:

Mrs. Vincent reviewed the General Fund Disbursements, which included Checks equaling $4,577,844.16; Electronic Payments equaling $150,138,518.97; and Transfers to Payroll equaling $1,784,125.31. Other Disbursements included Capital Fund Checks & Electronic Payments equaling $3,537,100.42 and Food Service Checks and Electronic Payments equaling $44,283.37 for a grand total of all Fund disbursements equaling $160,081,872.23.

Mrs. Vincent reviewed the General Fund Treasurer's Report, which included receipts totaling $168,652,120.80. Mrs. Vincent noted that Real Estate Tax receipts have been collected through August 31, which was the end of the discount period. A little over eighty percent of real estate taxes due have been collected to date, which is a lower percentage than last year's ninety percent mark for the same period.

Due to an influx of monies received, Mrs. Vincent called the Committee's attention to Investments Placed on the Disbursements portion of the Treasurer's Report. That item included $145,000,000.00 placed in money market and various investment accounts.

Mr. Schloeffel inquired if the recent news from Harrisburg about the inability to make PSERs payments had any ramifications for our district. Mr. Matyas replied that the district does not depend much on state aid, most of district funding is from the local community. He noted that the information regarding Harrisburg's inability to make PSERs payments was misleading. The district makes the full contribution to PSERs, and the state reimburses the district for their half. In actuality, the PSERs account is fully funded – Harrisburg's inability to meet their required payments will be to districts, not PSERs.

Mrs. Vincent provided detail on total Disbursements ($156,500,488.44); Cash Balance ($49,737.22) and Food Service Cash Balance ($129287.32).

Mrs. Vincent reviewed investments for the month of August. Most monies were placed in Money Market accounts at local banks, some money was invested in longer term CD's. She noted that interest rates were above 1%, which was an improvement over investments made just last spring. She remarked that interest earnings should be positive, based on the increased percentages. Investment of some Capital Funds over a longer period (18 months to 2 years) is being considered. Longer term investments could receive a higher interest yield. A determination would be made after future projects have been determined based on the feasibility study recently completed.

The summary of total investments by bank totaled $265,317,174.00. Mrs. Vincent noted that the district tries to work with local banks to develop local relationships. Mr. Matyas noted that while the district tries to invest locally, there are also nationwide investments done through CD's. Investments are done over the $245,000.00 amount to ensure FDIC insurance protection on the money.

Mrs. Vincent provided details on the General Fund Bank Balances, totaling $201,891,959.00. The Capital Fund Bank Balances totaled $43,439,379.00. Debt Service Fund bank balances totaled $19,856,548.00; Food Service Fund bank balances totaled $265,317,174.00.

Mrs. Vincent reviewed the Summary of Capital Reserve Account Activity & Fund Balance status. She noted Long Term Capital shows a deposit from the funds received from the sale of the Silo Hill property. The funds will be held there until there is further determination for their use. A detail of project expenditures was provided. Mrs. Vincent noted that the Fund Balances were not updated yet, the audit is not progressed enough to include final numbers. She expects that final numbers will be ready for the Committee at the October meeting. The audit is underway, last week a large portion of their preliminary audit work was completed. The auditors finished most of their field work and should be able to wrap up the audit soon. Mr. Schloeffel asked if the auditors focused on any certain area in their review. Mrs. Vincent replied that a random selection of transactions was reviewed including backup from Accounts Payable. She noted that she and Mr. Matyas met with the lead auditors, who commented that everything looked good with the audit.

Mr. Schloeffel asked if the unassigned fund balance of $13,997,592.00 was expected to be at that level once the information was updated. Mrs. Vincent expects the number to increase by about $5 million, which is the anticipated surplus for the 2016-2017 school year. Mr. Schloeffel inquired if the surplus could be considered for longer term investment, and Mr. Matyas replied that it could. Mrs. Vincent commented that the Debt Service, Long Term Capital and the Fund Balance surplus were the primary monies that would be looked at for longer term investment opportunities. Mr. Schloeffel asked that an item be placed on the agenda for the next meeting to review longer term investments.

Review of Professional Services Contracts:
Mrs. Vincent reviewed the Transportation Vendor report. The vendor, contract type, contract term(s), purchase type, description and annual expenditures were included in the report. Expenses (not Payroll related) were detailed and totaled $8,858,053.00. The expenses for the 2017-2018 school year are expected to be similar. The largest expense was for First Student, totaling $7,290,120.00. The First Student contract is a six-year contract, this current school year is the last year in the contract. The agreement will then move to a year-to-year basis, increasing at 2% for the first two years then 2.5%

through 2026-2027. The year-to-year basis gives the district the flexibility to move away from the contract if so decided. Mr. Schloeffel asked if First Student provided buses and fuel, Mr. Matyas answered that First Student did not supply the fuel, but did provide buses, maintenance, tires, etc. He noted that the cost of a bus with First Student was $265/day.

Mr. Matyas commented that if the district had a depot where all CB busses could be housed, bidding a contract for bussing would allow for more competitive pricing from vendors other than First Student. First Student has an advantage because they have their own depot. Other vendors may offer better pricing because the use of a CB depot would eliminate the need for them to maintain their own. There has also been discussion about changing the start time of secondary schools to an hour later than the current time. Mr. Matyas noted that it would have a significant impact on the number of busses required, furthering a need for a CB depot. Mr. Matyas recommends that the establishment of a CB bus depot be reviewed within the next couple of years.

Mr. Schloeffel asked if there would be a way to find out if there would be a significant cost savings for CB having its own depot. Rather than build a depot and then find that the savings would not be worthwhile, he inquired if a request for proposal could be submitted as a fact-finding method. Mr. Matyas noted that he could contact a few vendors and ask them for an estimate on transportation services if the district provided the depot.

Mrs. Vincent reported that Plumstead Christian and Lakeside Educational Network are educational entities that transport their students for our district. The cost for that service tends to increase 2-3% per year. Mr. Czyz, Transportation Manager, reviews the charges and maintains that they are still less expensive than if the district had to provide the transportation.

The transportation review will begin in October, and Mr. Matyas anticipates that it will be complete at the end of December.

Mrs. Vincent noted that the providers for diesel and gasoline are contracted annually. The diesel provider for this school year will be PAPCO, gasoline will be provided by Petroleum Traders. Good pricing was locked in from both providers, better than the 2016-2017 school year pricing.

Mrs. Vincent provided a Gift Report for the 2016-2017 fiscal year. Every school compiled a list of gifts and donations received over the course of the school year, totaling $483,085.89. The report is an action item on the School Board agenda, and provides an opportunity for the Board and the public to see the support received from community members.

Transportation Data on Sports Trips – Efficiency Review:
Mr. Matyas noted that the request for proposal for the transportation review did not include an evaluation of the efficiency of sports trips. Mr. Matyas is proposing an internal review be done by CB Athletic Directors and the Transportation Department. Mrs. Collopy encouraged a review, and suggested that the bus run for Lenape athletes to CB West be looked at closely. It is her belief that the students should walk between the schools rather than be driven via school bus. Mr. Schloeffel commented that the review was a good idea, any means of saving money outside the classroom was a worthwhile endeavor.

Legal Counsel for CB West Athletic Field Development:
Two artificial turf fields planned for CB West near the YMCA are in Doylestown Township, not Doylestown Borough. Mr. Jeff Garton, CB Solicitor, is also the solicitor for Doylestown Township. Due to that conflict, Mr. Garton will not be able to represent the district during the zoning and planning phase of building the fields. Mr. Garton has recommended hiring Mr. Edward Murphy, an attorney from Wisler Pearlstine. Mr. Matyas wanted the Committee to be aware of the change and of the future invoice for service. Mr. Kleimenhagen noted that an update on the progress of the addition of the fields will be provided at the next Operations Committee meeting.

Mr. Schloeffel inquired if there were any news on a potential addition of Coach Pettine's name to War Memorial Field. Mr. Matyas and Mr. Kleimenhagen both responded that they had not heard any news regarding an addition. Mr. Schloeffel asked if the District had any pending action due for the American Legion baseball field. Mr. Matyas and Mr. Kleimenhagen were both unaware of any items outstanding on the district's part. Mr. Schloeffel asked that more information regarding both items be provided at either the next Finance Committee meeting or Operations Committee meeting.

Update on Chalfont Borough LERTA:
The Chalfont Borough has approved their LERTA (Local Economic Revitalization Tax Assistance Act) plan. The borough approves ordinances, the District approves resolutions. Mr. Garton is working on a resolution for the Board to review and approve to support Chalfont's LERTA initiative. Borough, County and the School District must approve the plan because all three would be deferring revenue from new developments. Mrs. Collopy inquired if the resolution would be ready for review at the next Committee meeting, Mr. Matyas responded that it may be ready for the October meeting.

Budget Initiative for English Learners:
There is an influx of additional English language learners at Barclay and Mill Creek Elementary Schools. There is a need for a part time teacher and part time educational assistant. Mr. Matyas presented an estimated budget impact in the amount of $48,495.07. Mrs. Vincent noted that there will most likely be a budget transfer necessary for this item.

The part time employees will have retirement and social security benefits, but will not meet the minimum required hours for healthcare. Mr. Schloeffel inquired if part time employees were still eligible for PSERs. Mr. Matyas noted that salaried employees automatically qualify for PSERs, hourly employees qualify after 500 hours or 80 days of employment.

Mr. Schloeffel commented that, while additional expenses may be added incrementally, they add up to a significant burden on the budget. He would like to move forward with the idea of outsourcing when possible. Mr. Schloeffel would like to pursue the idea of substitutes, part time employees and/or custodians being outsourced to relieve the district taxpayers of exorbitant PSERs responsibilities. He would like the district to be proactive and try to find a solution before either drastic cuts or tax increases would be needed to meet the PSERs requirements. Mr. Matyas noted that there would be no restrictions on contracting out substitute teachers, however custodial staff could not be outsourced unless language was changed in the next support contract. The current support contract is a five-year contract, we are currently in year two. Mr. Matyas stated that criteria would need to be developed for expectations of a substitute provider, and then a request for proposal could be sent out to solicit costs. He agreed the district needed to strike more of a balance and contract out for more services.

Mr. Schloeffel would like to discuss the idea with Mr. Kopicki, and possibly move forward soon.

Dr. Bolton noted that there are currently 2.5 English learner teachers at Barclay, the additional .5 teacher would work there. One teacher would move from Mill Creek to support the overcrowding at Groveland's kindergarten, and the additional aide hours would be utilized at Groveland.

The Committee recommends the proposal for an additional .5 teacher and instructional aide at 4 hours per day be added to the Board agenda for approval.

2017-2018 Comprehensive Budget:
The 2017-2018 Comprehensive Budget will be handed out at the next School Board meeting.

ADJOURNMENT:
The meeting was adjourned at 6:50 p.m.

NEXT MEETING:
The next meeting of the Finance Committee will be October 18, 2017.

Vendor	C=contract B= state bid IU=IU Cont. Yr=negotiated or reviewed	Contract Term(s) / Contract Contact	Purchase Type	Description	Annual Expenditure Based on 1617 Actual Expenses
COURIER TIMES INC				ADVERSTING OF NOTICES/ADS 2016-2017	11,300
MORNING CALL, THE				ADVERTISING 2016-2017	1,651
PHILADELPHIA MEDIA NETWORK (NEWSPAPERS) LLC	Yr	New arrangement with ZipRecruiter - Ads will be placed with all for one fee	Will need to track for the year to see how much savings are realized	JOB AD	2,352
21ST CENTURY MEDIA				JOB ADVERTISING 2016-2017	2,921
CAREERBUILDER, LLC				AD PLACEMENT	450
DELAWARE VALLEY EDUCATIONAL CONSORTIUM				TEACHER JOB FAIR REGISTRATION	850
OFFICE BASICS	Yr	Annual RFP issued and reviewed	Central Office Bid/Quote	OFFICE SUPPLIES BLANKET 16/17	3,499
MARGARET R. BROGAN, ESQUIRE	Yr	Recommended by PSEA & Fred D'Angelo		ARBITRATION SERVICES	4,400
COZEN O'CONNOR	Yr	District contract negotiator (Fred D'Angelo)		CONTRACT NEGOTIATIONS 16-17	8715
BUCHANAN INGERSOLL & ROONEY PC				LEGAL FEES 2016-2017	89,599
LEVIN LEGAL GROUP	as needed	Expert in FMLA & ADA Interactive Process		LEGAL FEES 2016-17	5,300
National Schools Application Network	Yr	Only source available in State of PA		PA.REAP TECH.SERV.RENWL. DATES 1-1-17-12-31-	999
PEOPLEADMIN, INC.	C	first year of a two year term		PARTIAL RETRAINING	2,350
THE ROBERTS REPORTING FIRM		Court Reporter Fee - No Vendor choice	one time fee	transcript	1,123
FRONTLINE TECHNOLOGIES GROUP, LLC	Yr	Changes based on # of employee	increases about 3% per year	Aesop Services (Attendance/SubTeachers)	18,537
STEDI-SUB TEACHING DIVISION	Yr	negotiated rate for sub teacher training		ONLINE TRAINING PACKAGE	12,495
ACCUTRACE, INC.	Yr	moving to Lancaster I.U. for better price and services		ACT 168 CLEARANCE CHECKS	1,445
WORKFORCE COMMUNICATIONS GROUP, INC.		State Selected Vendor		EOE AD INSERTION	1,500
TAVCOM, INC.		State Selected Vendor		PRINT AD	1,950
INFINITE MASSAGE		Healthcare Consortium Selected Vendor		Biometric Screenings	9,676
					181,111

Budget Kickoff and Outlook

2018-19

Overview

- How Did We End The 2016-17 Fiscal Year Financially?
- Use of 2016-17 Positive Budget Variance
- Assumptions for Future Budget Growth
  - General Fund
  - Capital Funds

2016-17 Year End

	Revenues		
2016-17	Budget	Actual *	Variance
	$318,775,592	$324,203,657	$5,428,065

	Expenses		
2016-17	Budget	Actual*	Variance
	$318,775,592	$317,496,612	$1,278,980

* does not include one-time $6,646,000 PDE construction reimbursement

2016-17	Variance Total	$6,707,045
Total Variance as a % of Rev. & Exp. Budget		1.05%

2016-17 Year End Budget Transfers Approved , May 2017

Positive 2016-17 Budget Variance (unaudited)	$6,707,044
Less: Transfer to the Transportation Capital Fund (purchase additional special needs buses)	-$400,000
Less: Transfer to the Short Term Capital Fund (purchase addition field maintenance equipment)	-$150,000
Less: Transfer to the Technology Capital Fund	-$5,450,000
2016-17 Positive Variance Added to the General Fund, Fund Balance	$707,044

2016-17 Projected Ending Fund Balance (unaudited)

2015-16 General Fund Balance	$13,997,592
Add: 2016-17 Positive Variance Added to the General Fund Balance	$707,044
Projected 2016-17 Ending General Fund Balance	$14,704,636
Projected Unassigned 2016-17 General Fund Balance as a Percent of the $331,810,756 2017-18 Budget	4.4%
PDE General Fund Balance Limit =	8.0%

Budget Assumptions – Budget and Forecast Years

Salary and Hourly Percent Increase Assumptions [100's Object]

Employee Group	2017-18 Current Year	2018-19 Budget Year	2019-20 Forecast 1	2020-21 Forecast 2	2021-22 Forecast 3	2022-23 Forecast 4
Administration	3.64% (New A.D. Butler Asst. Prin.)	3.74% New Business Off. Accountant	2.84%	2.24%	2.80%	2.80%
Teaching Staff	3.70% (column changes, MS, Sp.Ed. Social)	Negotiating	Negotiating	Negotiating	Negotiating	Negotiating
Transportation	2.40%	2.52%	2.34%	2.53%	2.53%	2.53%
Confidential Secretaries	3.20% Payroll Position Transition	2.00% Reduced Position Communication Sec.	3.00%	3.00%	2.50%	2.50%
Support Staff (sp. ed.)	3.24%	3.08%	3.30%	3.20%	3.20%	3.20%

The current four-year teaching contract is in effect from the 2014-15 fiscal year through the 2017-18 fiscal year. The current administration agreement runs from 2016-17 through 2018-19. The five-year transportation contract and the five-year support staff contract both end in June of 2021

Budget Assumptions - Budget and Forecast Years (continued)

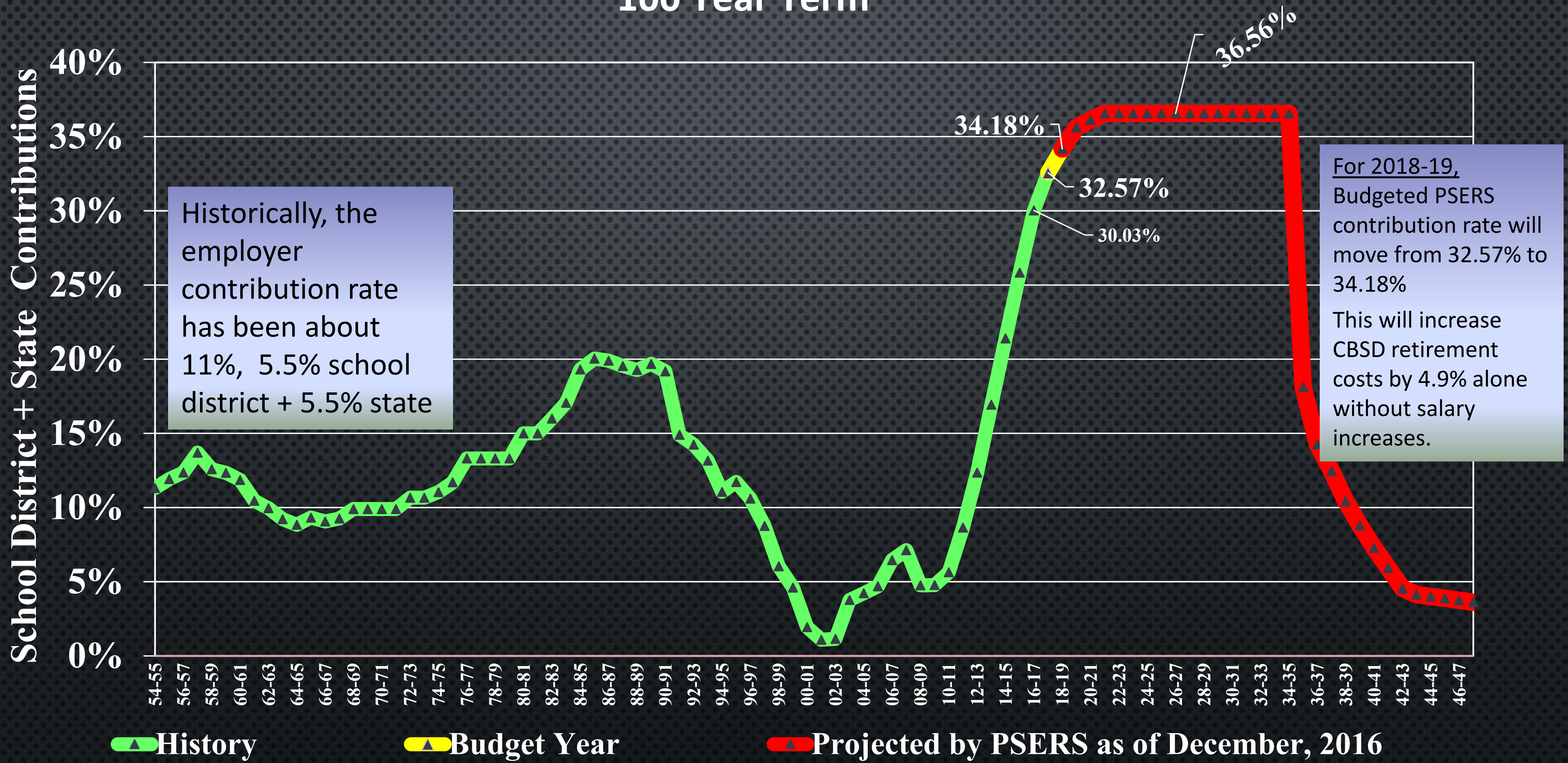
Benefit Increase Assumptions [200's Object]

Benefit Type	2017-18 Current	2018-19 Budget	2019-20 Forecast 1	2020-21 Forecast 2	2021-22 Forecast 3	2022-23 Forecast 4
Health Care *	3.0%	-3.0%	4.0%	3.0%	3.0%	3.0%
Prescription	16.0%	6.0%	8.0%	6.0%	8.0%	8.0%
Dental care *	6.4%	6.9%	2.5%	3.0%	3.0%	3.0%
Life Insurance *	-13.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tuition Reimb. **	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Unemployment Ins.	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Worker Comp. Ins.	8.7%	2.0%	2.8%	3.0%	2.8%	3.0%
FICA	3.9%	3.9%	2.9%	2.9%	2.9%	2.9%
State Retirement	12.0%	7.9%	7.0%	3.0%	3.0%	2.5%

*Made more student personal cares aides positions benefits eligible. ** Not all employee groups receive this benefit.

- The District offers three self-insured health insurance plans to its employees through the Bucks / Montgomery Health Care Consortium. Each plan has different office co-pay amounts and deductibles. Employees pay a greater cost share of the total benefit costs when choosing the lower doctor's office co-pay and deductible options.
- Dental Care is also self-insured by the District. A third party, Delta Dental, administers the policy, and makes payment of claims.
- Life Insurance limits are 1.5 times the annual salary, per employee, except for administrators who are capped at twice their salary amount.
- Tuition Reimbursement is offered to the teaching staff and administrative staff.
- As the district is self-insured for unemployment claims, the unemployment insurance expenses are projected to remain relatively flat, as there are no projected staff reductions or layoffs.
- Worker's compensation is projected to decrease slightly in the budget year due to positive experience rating and will then hold relatively flat for the five-year period. The district's experience modification factor is just above the baseline of 1 so costs should stable, and there are not large pending claims at this time.
- The employer FICA contribution rate is projected to remain at 7.65% of salary, so will increase in line with salaries.
- The state retirement program contributions are expected to increase over the five-year period. The assumptions used are from the latest projections of employer contributions to the Pennsylvania School Employee Retirement System (PSERS). Employer contributions to the state retirement system are based on gross payroll times the projected employer PSERS rate. [Reminder: the district receives state reimbursement for 50% of employer retirement expenses.]

Pennsylvania School Employees Retirement System (PSERS) Employer Retirement Contributions - 100 Year Term



Budget Assumptions - Budget and Forecast Years (continued)

All Other Expense Assumptions [300's to 900's Object]

Major Objective	2017-18 Current Year	2018-19 Budget Year	2019-20 Forecast 1	2020-21 Forecast 2	2021-22 Forecast 3	2022-23 Forecast 4
300, Purchased Professional & Tech Services	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
400, Purchased Property Services	11.00%	6.00%	5.50%	6.00%	5.50%	5.80%
500, Other Purchased Services	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
600, Supplies and Text Books	10.00%	3.00%	2.00%	3.00%	2.00%	2.00%
700, Property and Equipment	1.00%	2.00%	0.50%	0.50%	0.50%	0.50%
800, Other Expenses	-10.00%	-13.00%	-14.60%	-16.00%	-14.70%	-14.00%
900, Other Uses of Funds	-3.00%	-10.50%	-13.60%	-8.90%	-5.80%	-3.50%

300, Purchased Professional and Technical Services - are services provided by people or firms with specialized skills and knowledge. Expenditures included in this category are contracted substitute teachers, Intermediate Unit special education services, architects, engineers, auditors, medical professionals, and legal firms.

400, Purchased Property Services - are services purchased to operate and maintain property or to rent property for educational use. Expenditures included in this category are contracted cleaning services, contracted grounds care services, construction services, and extermination services, licensing, as well as printing and copier services.

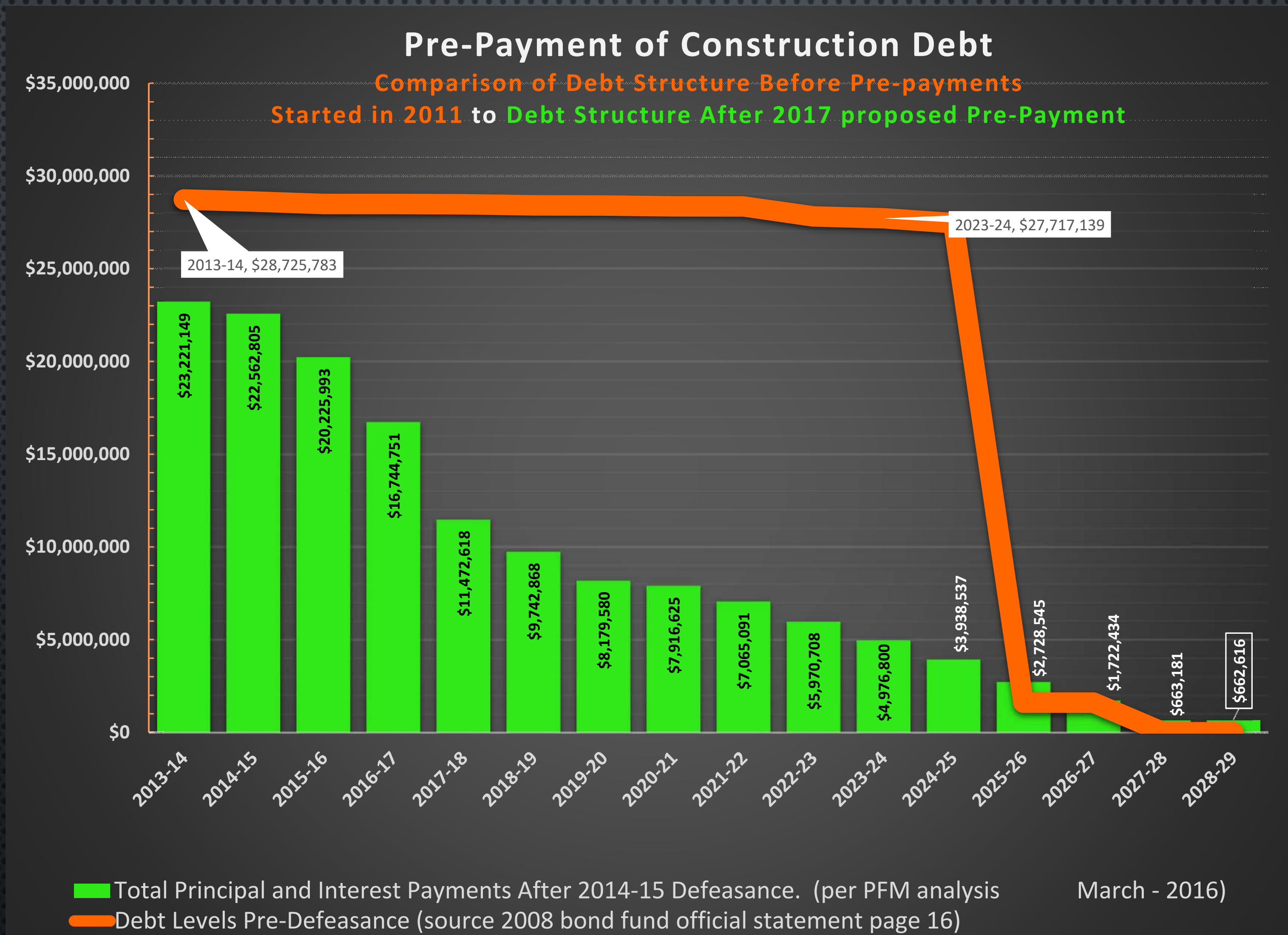
500, Other Purchased Services - includes contracted transportation, insurance, communication, printing, tuition payments to other education agencies, and travel expenses. Increased insurance premiums due to trends in the insurance markets and an annual 2.5% increase in contracted transportation services are the main drivers of cost increases in this area greater than the rate of inflation.

600, Supplies - are expenses paid for material items that are consumed during the normal operation of a District. Supplies also include utility costs, software license fees for on-line books, textbooks, and library books. The major variable in the supply category is textbooks. 2017-18 increase is due to building level budget requests.

700, Property and Equipment - this category includes the purchase of fixed assets including land and buildings. For GASB 34 compliance the district will identify any equipment with a value of $5,000 or greater to track as a fixed asset.

800, Other Expenses - The expenses contained in this category include membership dues to organizations, interest payments on notes and bonds, and training expenses. Due to prepayment of construction debt and no plans for additional borrowing, interest payments will decline in future years.

900, Debt Service and Transfers - Principal payments on bond issues makes up the bulk of the expenses in this category of expenses. No additional debt issue is planned during the five-year budget model. Due to prepayment of construction debt, bond principal payments will decline in future years.


Pre-Payment of Construction Debt
Comparison of Debt Structure Before Pre-payments
Started in 2011 to Debt Structure After 2017 proposed Pre-Payment
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
2013-14, $28,725,783
2023-24, $27,717,139
$23,221,149
$22,562,805
$20,225,993
$16,744,751
$11,472,618
$9,742,868
$8,179,580
$7,916,625
$7,065,091
$5,970,708
$4,976,800
$3,938,537
$2,728,545
$1,722,434
$663,181
$662,616
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26
2026-27
2027-28
2028-29
Total Principal and Interest Payments After 2014-15 Defeasance. (per PFM analysis March - 2016)
Debt Levels Pre-Defeasance (source 2008 bond fund official statement page 16)

Budgeting for the Technology Capital Fund

Technology Capital Reserve Fund - Revenues and Incoming Transfers

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Transfers In From General Fund	2,000,000	4,329,992	2,000,000	-	2,086,639	5,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Earning on Investments	6,201	10,771	13,887	5,424	870	9,500	10,000	10,500	11,000	11,500
Other Revenues Such as Fund Balance	-	-	-	5,154	-	-	-	-	-	-
Total	2,006,201	4,340,763	2,013,887	10,578	2,087,509	5,009,500	3,010,000	3,010,500	3,011,000	3,011,500
% Change Over Prior Year	0.17%	116.37%	-53.61%	-99.47%	19634.44%	47257.72%	-39.91%	0.02%	0.02%	0.02%

Technology Capital Reserve Fund - Expenses

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Technology Capital Expenditures	1,267,257	3,130,445	3,217,120	4,603,318	1,988,182	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000
Transfers to Other Funds										
Total	1,267,257	3,130,445	3,217,120	4,603,318	1,988,182	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000
% Change Over Prior Year	7971.19%	147.03%	2.77%	43.09%	-56.81%	-23.97%	-14.29%	0.00%	0.00%	0.00%

Technology Capital Reserve Fund - Change in Financial Position

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,274,217	3,013,161	4,223,479	3,020,246	(1,572,494)	(1,473,167)	36,333	46,333	56,833	67,833
Excess (deficiency) of Revenues over Expenses	738,944	1,210,318	(1,203,233)	(4,592,740)	99,327	1,509,500	10,000	10,500	11,000	11,500
Fund Balance at Year End	$3,013,161	$4,223,479	$3,020,246	-$1,572,494	-$1,473,167	$36,333	$46,333	$56,833	$67,833	$79,333
	32.49%	40.17%	-28.49%	-152.07%	-6.32%	-102.47%	27.52%	22.66%	19.35%	16.95%

The Technology Capital Fund provides a consistent source of funding for school technologies that occur over a three to five year horizon. This includes classroom computer replacement plans, network infrastructure build-out, redundant power supplies, support for security systems, and preparations to replace phone and internal building communication systems over time. Money is typically transferred from the General Fund to the Technology Capital Fund in the amount of $2 to $3M each year depending on balances and projected needs.

As a general rule of thumb, the district tries to replace student computers every four year. This means the IT department replaces about 25% of student and staff computers each year. Computers that may be used for less demanding applications may be replaced on a longer life cycle.

To ensure that the IT department had the required hardware to prepare for the 2017-18 school year many computers were purchased near the end of 2016-17 so that the department could install and test them prior to the start of school. This left the technology account in a deficit position, however the capital fund, overall, had the resources to cover the expenses until the July 2017 general fund transfer.

Summary of All Funds Revenue Expenses and Forecasts

Budgeting for the Long Term Capital Fund

Long Term Capital Reserve Fund - Revenues and Incoming Transfers

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Transfers In From General Fund	8,000,000	3,000,000	3,160,000	9,969,665	13,646,000	6,000,000	3,600,000	600,000	-	-
Earning on Investments	-	24,797	38,764	43,464	107,287	110,000	110,000	110,000	110,000	110,000
Other Revenues - Such as General Operating Fund Balance	-	-	-	-	-	4,000,000	-	-	-	-
Total	8,000,000	3,024,797	3,198,764	10,013,129	13,753,287	10,110,000	3,710,000	710,000	110,000	110,000
% Change Over Prior Year	#DIV/0!	-62.19%	5.75%	213.03%	37.35%	0.97%	-63.30%	-80.86%	-84.51%	0.00%

Long Term Capital Reserve Fund - Expenses

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Long Term Capital Expenditures	-	-	3,627,089	5,432,996	(860,747)	1,000,000	500,000	500,000	500,000	500,000
Transfers to Other Funds										
Total	-	-	3,627,089	5,432,996	(860,747)	1,000,000	500,000	500,000	500,000	500,000
% Change Over Prior Year				49.79%	-115.84%	-81.59%	-50.00%	0.00%	0.00%	0.00%

Long Term Capital Reserve Fund - Change in Financial Position

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	-	8,000,000	11,024,797	10,596,472	15,176,605	29,790,639	38,900,639	42,110,639	42,320,639	41,930,639
Excess (deficiency) of Revenues over Expenses	8,000,000	3,024,797	(428,325)	4,580,133	14,614,034	9,110,000	3,210,000	210,000	(390,000)	(390,000)
Fund Balance at Year End	$8,000,000	$11,024,797	$10,596,472	$15,176,605	$29,790,639	$38,900,639	$42,110,639	$42,320,639	$41,930,639	$41,540,639
		37.81%	-3.89%	43.22%	96.29%	30.58%	8.25%	0.50%	-0.92%	-0.93%

The district has a goal of not borrowing any money to maintain school facilities and grounds. This is an effort to reduce overhead costs as much as possible so that increased payments into the state mandated retirement system can be made without major tax increases. The district is committed to properly maintain facilities and therefore established a Long Term Capital Fund to accumulate money for capital projects over a five to ten year horizon as needed. The Long Term Capital Fund will be used for major building renovation projects. Money is typically transferred from the General Fund to the Long Term Capital Fund in the amount of $4M to $7M each year on average. From 2016-17 through 2020-21 approximately $40+M could be available for major capital projects. Some expenses may occur from this fund in future years for architectural or engineering services, but the goal is to preserve capital over the next five years for major renovations that could occur six to ten years out from the budget year.

Budgeting for the Short Term Capital Fund

Short Term Capital Reserve Fund - Revenues and Incoming Transfers

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Transfers In From General Fund	5,000,000	4,330,000	4,330,000	5,330,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Earning on Investments	28,757	23,225	17,511	6,229	12,608	14,000	14,000	15,000	16,000	17,000
Other Revenues	3,120,056	-	-	15,000	-	-	-	-	-	-
Total	8,148,813	4,353,225	4,347,511	5,351,229	12,012,608	12,014,000	12,014,000	12,015,000	12,016,000	12,017,000
% Change Over Prior Year	305.65%	-46.58%	-0.13%	23.09%	124.48%	124.51%	0.00%	0.01%	0.01%	0.01%

Short Term Capital Reserve Fund - Expenses

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Short Term Capital Expenditures	5,516,253	6,398,207	8,028,949	7,404,547	11,855,598	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Transfers to Other Funds										
Total	5,516,253	6,398,207	8,028,949	7,404,547	11,855,598	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
% Change Over Prior Year	311.32%	15.99%	25.49%	-7.78%	60.11%	62.06%	0.00%	0.00%	0.00%	0.00%

Short Term Capital Reserve Fund - Change in Financial Position

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	5,461,933	8,094,493	6,049,511	2,368,073	314,755	471,765	485,765	499,765	514,765	530,765
Excess (deficiency) of Revenues over Expenses	2,632,560	(2,044,982)	(3,681,438)	(2,053,318)	157,010	14,000	14,000	15,000	16,000	17,000
Fund Balance at Year End	$8,094,493	$6,049,511	$2,368,073	$314,755	$471,765	$485,765	$499,765	$514,765	$530,765	$547,765
	48.20%	-25.26%	-60.86%	-86.71%	49.88%	2.97%	2.88%	3.00%	3.11%	3.20%

The Short Term Capital Fund is used to accumulate funding that will typically be used during the next two years. It is used to provide a source of revenue for general repairs and upkeep of school facilities and grounds. Money is typically transferred from the General Fund to the Short Term Capital Fund in the amount of $8M to $12M each year unless more expensive projects are proposed in a given year. Money not used at the end of a fiscal year is maintained in the Short Term Capital fund for future projects.

In general, facility repairs which will take approximately one year or less to complete are charged to the Short Term Capital fund with more extensive renovations that may take multiple years to complete are charged to the Long Term Capital Fund.

A detailed capital project listing appears in this section of the budget with construction and repairs projected by school over the next ten year period along with the estimated life cycle of the repair or renovation. In addition, the district is undertaking an architectural review, feasibility study, of schools and grounds in an effort to establish capital improvement priorities and budgets over the next ten years. The feasibility study should be complete by November 2017.

Summary of All Funds Revenue Expenses and Forecasts

Overview of Short Term and Long Term Capital Funds

	2017-18	2018-19	2019-20	2020-21	2021-22
Proposed Long Term Capital Transfers from the General Fund	$ 6,000,000	$ 3,600,000	$ 600,000	$ -	$ -
Proposed Short Term Capital Transfers from the General Fund	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000
Total Available for Construction Each Year	$ 18,000,000	$ 15,600,000	$ 12,600,000	$ 12,000,000	$ 12,000,000
Current Long Term Capital Fund Balance	$ 29,790,639				
Growth in Short & Long Term Capital Balance - Assume no Expenses	$ 47,790,639	$ 63,390,639	$ 75,990,639	$ 87,990,639	$ 99,990,639

Current Fund Balance of the Debt Fund and General Fund Reserved Fund Balance *(A/C, Elementary School, Debt Defeasance)*	$ 29,340,049

General 2018-19 Budget Parameters

Act 1 Base Index for 2018-19 is	2.40%
Estimated Act 1 Exception for Retirement is	0.75%
Estimated Allowable Act 1 Tax Increase is	3.15%

2018-19 Budget As of October 17th 2017

Our total General Fund expenditure budget stands at:

2018-19	2017-18	% Δ
$338,572,462	**$ 331,190,855**	**2.23%**

This does not include any budget initiatives or any extra positions

Summary

- Looks Like We Should be in Pretty Good Financial Shape for 2018-19. Everything will Hinge on Revenue Projections and How Well They Balance with Expenses

To: Finance Committee

From: Andrea L. DiDio-Hauber, Director of Human Resources

Date: October 13, 2017

Re: Feasibility Study for Outsourcing Day-to-Day Substitute Positions

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On Tuesday, October 3, 2017 I met with two representatives from ESS/Source4Teachers/Mission One. Chris Jones, Regional Vice President and Andrea Hall, Chief Operating Officer came to the district to discuss the possibility of partnering with Central Bucks School District to provide support. The initial conversation surrounded use of day-to-day substitute staff including teachers, assistants, nurses, custodial, and secretarial substitutes. The model they presented I am told is very different than the model that has been presented in years past.

Due to our sheer size and volume of staff they would employee an individual fulltime that would work onsite in the Human Resources Department at 20 Welden in an effort to embed them in the district. They believe that the relationship between the individual handling the substitutes should feel as though the individual works for the district to ensure consistency and a seamless transition. The only difference will be where their paycheck is generated from.

We felt that the meeting was very positive and determined that the next step would be to conduct a feasibility study. Therefore, my staff and I are providing all the data and details that they requested to conduct the study. I indicated that it would be paramount to the Board of School Directors and myself that our fill rates remain at a minimum as consistent as they have been between 93-98% and that penalties be included should we enter a partnership if those rates decreased. Additionally, that there be a withdraw clause should those rates not be rectified within a period of time the district determined was reasonable.

Once the study has been concluded they will provide me with a report and would be happy to meet with the Board at a committee meet to discuss the report further should we wish to form a partnership.

Andrea L. DiDio Hauber, Director of Human Resources • Central Bucks School District • Administrative Services Center •
20 Welden Drive • Doylestown, Pennsylvania 18901-2359 • Telephone (267) 893-2000 • Fax (267) 893-5800

Good News, the school retirement fund earned a rate of return greater than the 7.25% assumed earnings on investments. This will help keep the cost of PSERS retirement from increasing in the future. It will not decrease our payments. It is good to see that the state has finally allowed contributions to be a 100% of what is needed after 15 years of underfunding - which is the main factor for the retirement mess.

Hopefully each year moving forward will add to the PSERS balance. For many years withdrawals from the pension fund for retiree payments exceeded the amount of money contributed into the fund. Below is a October 10th article on PSERS investment performance.

School Employees Retirement Fund Earns 10.14% In FY 2017, Exceeds Return Goal Of 7.25%

The Public School Employees' Retirement System Tuesday reported the Fund posted a positive return of 10.14 percent for the fiscal year ended June 30, 2017 (FY 2017) and earned $5 billion in investment income net of fees.

PSERS Chief Investment Officer, James Grossman, Jr., explained during last Thursday's Investment Committee meeting, "This past fiscal year can be characterized as a "risk-on" period where taking concentrated equity risk significantly paid off for those investors willing and able to take that level of equity risk. By taking less equity risk and managing a more diversified portfolio, PSERS is endeavoring to achieve its actuarial return target over time with less volatility in annual returns. While this past year's market environment was not as favorable for our allocation relative to other investors that hold a higher equity allocation, PSERS still generated a solid fiscal year return well in excess of its 7.25% return assumption."

PSERS' top performing asset classes included U.S. and Non-U.S. Equities, Private Markets, High Yield Fixed Income, and Infrastructure.

Grossman continued, "Active management was a significant contributor to performance, adding over $1.7 billion relative to the Board-approved policy benchmark. Active management added value in most asset classes this past fiscal year relative to passively managed alternatives, as 13 of 15 asset classes outperformed their policy benchmarks."

In 2009 PSERS made the decision to increase the Fund's diversification to certain asset classes not tied to the equity markets to limit the impact of equity market volatility.

Grossman explained, "In the eight fiscal years since the Great Recession of 2008/2009, PSERS earned an annualized net of fee return of 9.28 percent which exceeded the Fund's 7.25 percent annual return assumption. During this period, PSERS took significantly less investment risk while still outperforming a traditional global 60/40 portfolio return of 8.22 percent."

In addition to the 10.14 percent FY 2017 return, PSERS also reported positive investment returns of 4.76 percent for the three-year, 7.35 percent for the five-year, 7.24 percent for the 15-year, and 8.03 percent for the 25-year periods ended June 30, 2017.

PSERS 10-year return of 3.80 percent remains impacted by the 2008/2009 returns during the Great Recession. PSERS has two more years before the full impact of the Great Recession is recognized and the 10-year return number will begin to rebound.

In other business during last Thursday's Budget/Finance Committee meeting, PSERS' Chief Financial Officer, Brian Carl, presented highlights of PSERS' financial statements and noted that PSERS' total net position increased by $3.3 billion from $50.2 billion at June 30, 2016 to $53.5 billion at June 30, 2017.

The increase was due in large part to net investment income resulting from the 10.14 percent FY 2017 return plus member and employer contributions exceeding deductions for benefit and administrative expenses.

Additionally, on a market value basis, PSERS' unfunded liability declined in FY 2017 as PSERS' total net position grew faster than its total pension liability.

Carl also emphasized the financial importance of PSERS receiving 100 percent of the actuarially required employer contributions from school employers and from the Commonwealth, who directly reimburses school employers for no less than 50 percent of the employer contribution rate.

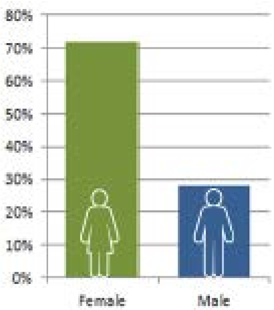
During FY 2017, employers fully funded the actuarially required contributions to PSERS for the first time in fifteen years. Full actuarial funding from employers, along with members contributions and investment income, are all necessary sources of funds that will pay down the unfunded liability of the System.

While a challenging pension funding environment remains for school employers and the Commonwealth due to legacy debt issues, all of the sources of funding are now in place to bring PSERS back to fully funded status.

For more information, visit the Public School Employees' Retirement System website.

Posted by PA Capitol Digest at 5:56 PM

Below is Some General Information about PSERS



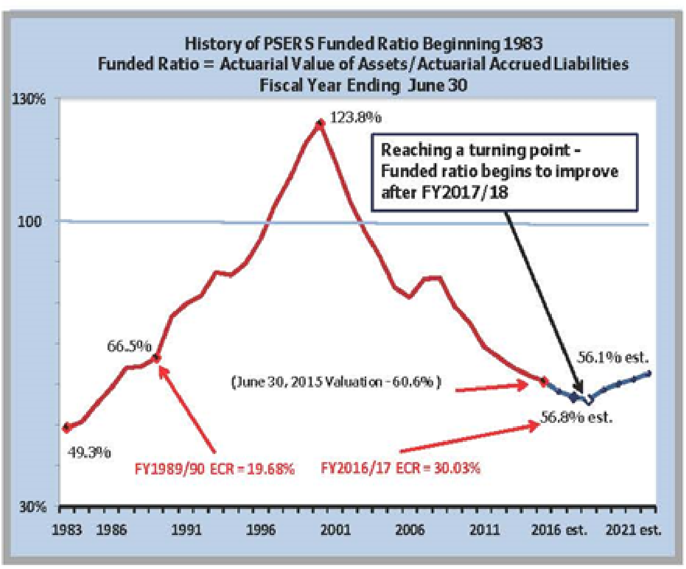
Closer Look at PSERS' Active Members

As of June 30, 2016, PSERS had over 257,000 active members and 781 school employers with an employer payroll of $13.0 billion.

The top five largest school employers are: Philadelphia City School District, Pittsburgh School District, Central Bucks School District, North Penn School District, and Allentown City School District.

The average age of a PSERS active member is 45.1 years with 11.3 years of service. The average salary of an active member is $49,989.

PSERS Funded Ratio as of June 30th 2016



An independent review of PSERS' assets and liabilities is performed annually. As part of this review, the progress toward funding PSERS' pension obligations is measured. This measurement is referred to as the funded ratio or funded status. The most recent review reports that PSERS is 60.6% funded with an unfunded liability of $37.3 billion as of June 30, 2015. The funded ratio for the year ended June 30, 2016, will be available in the review that will be completed at the end of the 2016 calendar year. Based on the investment performance for the ten-year period ended June 30, 2016, which is below the investment rate of return assumption during that time period, and employer contributions below the actuarially recommended level, the funded ratio at June 30, 2016, is expected to decrease.

The decreasing trend in PSERS funded status since 2000 is primarily the result of legislated underfunding by employers and the Commonwealth; unfunded benefit increases enacted in Act 9 of 2001, Act 38 of 2002, and Act 40 of 2003; funding collars in Act 120 of 2010; and the downturn in the investment markets after 9/11 and the Great Recession of 2008.

Dramatic progress, however, has been made toward addressing the annual funding shortfall of PSERS. Thanks to the General Assembly's enactment of the Act 120 pension reforms in 2010, employer contributions increased to the System in defined increments and for the first time in 15 years, the employer contribution rate (ECR) for the fiscal year beginning July 1, 2016, will provide 100% of the actuarially required rate based on sound actuarial practices and principles. As a result of the increased funding, in approximately two years, PSERS' funded ratio is projected to slowly improve after declining for many years and PSERS is now on a path to full funding.

Preliminary Interest Earning Analysis

	Total Balance in Fund	Proposed Long Term Investment	Current Short-Term Rate (Based on liquid to 12 months)	Estimated Annual Interest Earnings	Projected Long Term Rate - based on 18 months	Estimated Annual Interest Earnings	Additional Earnings	Projected Long Term Rate - based on 24 months	Estimated Annual Interest Earnings	Additional Earnings
Fund 1 - Assined Fund Balance	16,503,657	10,000,000	1.00%	100,000	1.40%	140,000	40,000	1.50%	150,000	50,000
Fund 3 - Long Term Cap	30,500,472	15,000,000	1.10%	165,000	1.40%	210,000	45,000	1.50%	225,000	60,000
Fund 4 - Debt Service	19,856,548	19,856,548	1.00%	198,565	1.40%	277,992	79,426	1.50%	297,848	99,283
		$ 44,856,548		$ 463,565		$ 627,992	$ 164,426		$ 672,848	$ 209,283

The Feds will announce a possible rate increase December 13th. This could have a small impact on interest rates.

Transportation Study Update

Transportation Advisory Services (TAS) will be on sight October 24th and 25th to interview the transportation office staff, drivers, Mary Kay Speese, Danielle Turner, and Dave Matyas.

We are providing them with the following information to help them facilitate the study

- Current transportation staff salaries and benefits
- Transportation support staff contract
- First Student contract
- Job Descriptions
- Financial data
- Student enrollment history
- Report on miles driven by each bus with and without students on board.
- Substitute bus driver hours worked and pay rate
- Information on private school routes
- Special needs bus routes
- Bus routes to service homeless students
- Configuration of district grade levels and starting and ending times by building
- Overview of district buses
- Equipment on each bus
- Data on bus mechanics work area and duties
- Survey of principals

<u>Sports Buses</u> - The district is currently reviewing the utilization of sport buses to see if any gains in efficiency are possible.

<u>Lenape to West sports bus</u> – A special bus is not utilized to transport Lenape students for varsity sports. A bus that has just CB West students assigned to it (former Tohickon MS students), is parked at the rear of Lenape to pick up sports students for drop-off at West. The bus then loads CB West students for the afternoon take-home bus route. No extra costs are incurred.

<u>Bus Stops</u> - After the TAS analysis is complete, the district transportation department will review current bus stops to see if additional efficiencies can be gained by eliminating some bus stops and moving some locations.

<u>Alternative School Bell Schedules</u> - The transportation department will develop three initial scenarios for review:

1. Change the high school/middle school starting times to 8:30a.m. and maintain current elementary start times.
2. Change the school bell schedules to increase transportation efficiency with the goal of eliminating the need for some school buses.
3. Develop a bell schedule with a HS/MS start time of 8:30a.m. and change the elementary times so that the impact on transportation is cost neutral.

<u>Bus Routes</u> – A goal coming into the 2017-18 school year was to eliminate the need for two school buses. Two buses have been eliminated due to enrollment reductions. Past reductions were subsequently utilized for new special needs routes.

Budgetary Transfers
October 2017
Final Transfers for 2016 - 2017 Fiscal Year

FROM:	1100 - 200	Instruction - Benefits		588,400
	1200 - 300	Special Education - Purch Prof/Tech Svcs		160,000
	1200 - 500	Special Education - Other Purch Svcs		22,000
	2100 - 300	Pupil Personnel - Purch Property Svcs		59,000
	2200 - 400	Instructional Staff - Purch Property Svcs		23,000
	2200 - 500	Instructional Staff - Other Purch Svcs		63,000
	2200 - 600	Instructional Staff - Supplies		117,000
	2300 - 300	Administration - Purch Prof/Tech Svcs		52,700
	2600 - 400	Operations - Purch Property Svcs		480,000
	2600 - 600	Operations - Supplies		206,000
	2700 - 600	Transportation - Supplies		400,000
	2800 - 300	Central Support - Purch Prof/Tech Svcs		70,000
	2800 - 400	Central Support - Purch Property Svcs		70,000
				2,311,100
TO:				
	1200 - 200	Special Education - Benefits	194,800	
	1400 - 200	Other Instructional Programs - Benefits	98,050	
	2100 - 200	Pupil Personnel - Benefits	425,500	
	2300 - 200	Administration Benefits	53,550	
	2400 - 200	Pupil Health - Benefits	493,100	
	2600 - 200	Operations - Benefits	616,100	
	2700 - 200	Transportation - Benefits	290,000	
	2800 - 200	Central Support - Benefits	140,000	
			2,311,100	

Reallocate budget amounts from expenditure categories that were underbudget to increase budgeted amounts for benefits.
Due to exceptionally high benefit expenses in 1617 a number of benefit budget amounts came up short.

****

FROM:				
	1300 - 500	Vocational Education		250,100
TO:				
	1400 - 500	Other Instructional Programs - Benefits	250,100	

Reallocate Budget amount from Vocational Education Purchased Services to Other Instructional Programs Purchased Services

****

FROM:	2800 - 100	Central Support - Salaries		2,300
TO:	2200 - 100	Instructional Staff - Salaries	2,300	

Reallocate budget from Instructional Staff to Central Support.

****

CENTRAL BUCKS
SCHOOL DISTRICT

To: Sharon Reiner
From: Brett Haskin
Date: October 2, 2017

Board Agenda Information:

General Fund Disbursements, September 2017

Checks		$3,305,431.53
Electronic Payments		$22,760,671.94
Transfers to Payroll		$7,590,056.71
	TOTAL	**$33,656,160.18**

Other Disbursements, September 2017

Capital Fund Checks & Electronic Payments		$1,572,488.71
Food Service Checks & Electronic Payments		$10,043.18
	TOTAL	**$1,582,531.89**
	Grand total of all Funds	**$35,238,692.07**

The Central Bucks School District
General Fund
Treasurer's Report
9/30/2017

Beginning Cash Balance		**$18,732,743.75**
Receipts		
Local General Funds Receipts		
Local Collectors	21,543,142.00	
County of Bucks	998,551.85	
EIT	1,790,400.65	
Interest Earnings	7,132.47	
Facility Use Fees	13,735.75	
Tuition, Community School	363,306.90	
Contributions	28,076.29	
Miscellaneous	149,122.04	
Total Local General Funds Receipts	**$24,893,467.95**	
State General Fund Receipts		
Soc Sec & Retirement	8,474,881.54	
State Subsidy- Other	1,631,352.00	
Total State General Fund Receipts	**$10,106,233.54**	
Federal General Fund Receipts		
IDEA	497,732.64	
Other Federal Subsidies	322,649.55	
Total Federal General Fund Receipts	**$820,382.19**	
Other Receipts		
Offsets to Expenditures	193,932.67	
Transfer from Other Funds	95,372.72	
Total Other Receipts	**$289,305.39**	
Total Receipts		**$36,109,389.07**
Total Beginning Cash Balance and Receipts(carried to next page)		**$54,842,132.82**

The Central Bucks School District
General Fund
Treasurer's Report Continued
9/30/2017

Total Beginning Cash Balance and Receipts(from previous page)			**$54,842,132.82**
Disbursements			
* Checks (see detail below)		$3,305,431.53	
Electronic Payments:			
Employee Payroll Taxes/WH	1,520,277.49		
Employer Payroll Taxes	508,875.87		
PSERS Retire	17,162,997.63		
403B/457PMT	218,271.36		
Health Benefit Payments	3,043,614.59		
** Transfer to PSDLAF Account	250,000.00		
Transfer to Other Funds	56,635.00		
Electronic Payments Total:		$22,760,671.94	
Transfer to Payroll		$7,590,056.71	
Total Disbursements			**$33,656,160.18**
Ending Cash Balance		**9/30/2017**	**$21,185,972.64**

* **Check Detail:** Check Registers provided for Board Approvals

09/05/2017 Check Run-	Board Approved 09/12/2017	$2,583,226.18
09/15/2017 Check Run-	Board Approved 09/26/2017	$1,280.01
09/19/2017 Check Run-	Board Approved 09/26/2017	$1,198,653.18
09/20/2017 Check Run-	Board to Approve 10/10/2017	$8,338.45
09/30/2017 Check Run-	Board to Approve 10/10/2017	$1,442.01
Total Check Runs-		**$3,792,939.83**
Less Voided Checks		($10,959.30)
September Check Disbursements		**$3,781,980.53**
Add Prior Month A/P Funded This Month		$218,203.48
Less This Month A/P To Be Funded Next Month		$694,752.48
Checks Funded This Month		**$3,305,431.53**

**PSDLAF account is funded to cover credit card purchases.

The Central Bucks School District
Capital Fund-Checking Account
Treasurer's Report Continued
9/30/2017

Beginning Cash Balance		**$49,737.22**
Receipts		
Interest Earnings	$352.40	
Cash Transfers from Fund 3 Reserve Accounts	$2,897,829.22	
Total Receipts		$2,898,181.62
Disbursements		
* Checks (see detail below)	$1,572,488.71	
Electronic Payment	$0.00	
Total Disbursements		$1,572,488.71
Ending Cash Balance		**$1,375,430.13**

* **Check Detail:** Check Registers provided for Board Appovals

9/14/17 Check Run	Board Approved 9/26/17	$1,522,749.34
9/28/17 Check Run	Board to Approve 10/10/17	$1,377,829.88
Total Check Runs		**$2,900,579.22**
Less Voided Checks		($2,750.00)
September Check Disbursements		**$2,897,829.22**
Add Prior Month A/P Funded This Month		$38,038.01
Less This Month A/P To Be Funded Next Month		$1,363,378.52
Checks Funded This Month		**$1,572,488.71**

The Central Bucks School District
Food Service
Treasurer's Report Continued
9/30/2017

Beginning Cash Balance		**$129,287.32**
Receipts		
Interest Earnings	$20.94	
Student Lunch Account Deposits	$360,138.24	
Subsidies	$0.00	
Total Receipts		$360,159.18
Disbursements		
* Checks (see detail below)	$124.80	
Electronic Payments	$9,918.38	
Total Disbursements		$10,043.18
Ending Cash Balance		**$479,403.32**

* **Check Detail:** Check Registers provided for Board Appovals

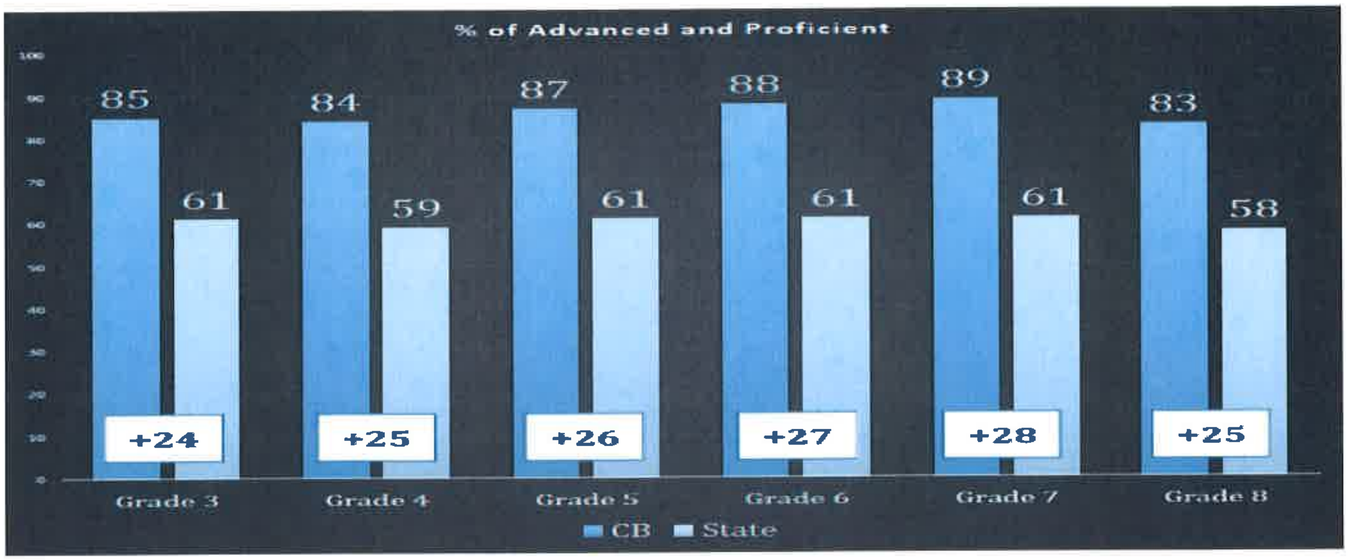
9/28/17 Check Run-	Board to approve 10/10/17	$11,811.06
Total Check Runs		**$11,811.06**
Voided Checks		$0.00
September Check Disbursements		**$11,811.06**
Add Prior Month A/P Funded This Month		$327.50
Less This Month A/P To Be Funded Next Month		$12,013.76
Checks Funded This Month		**$124.80**

Class Profile of Graduating Students

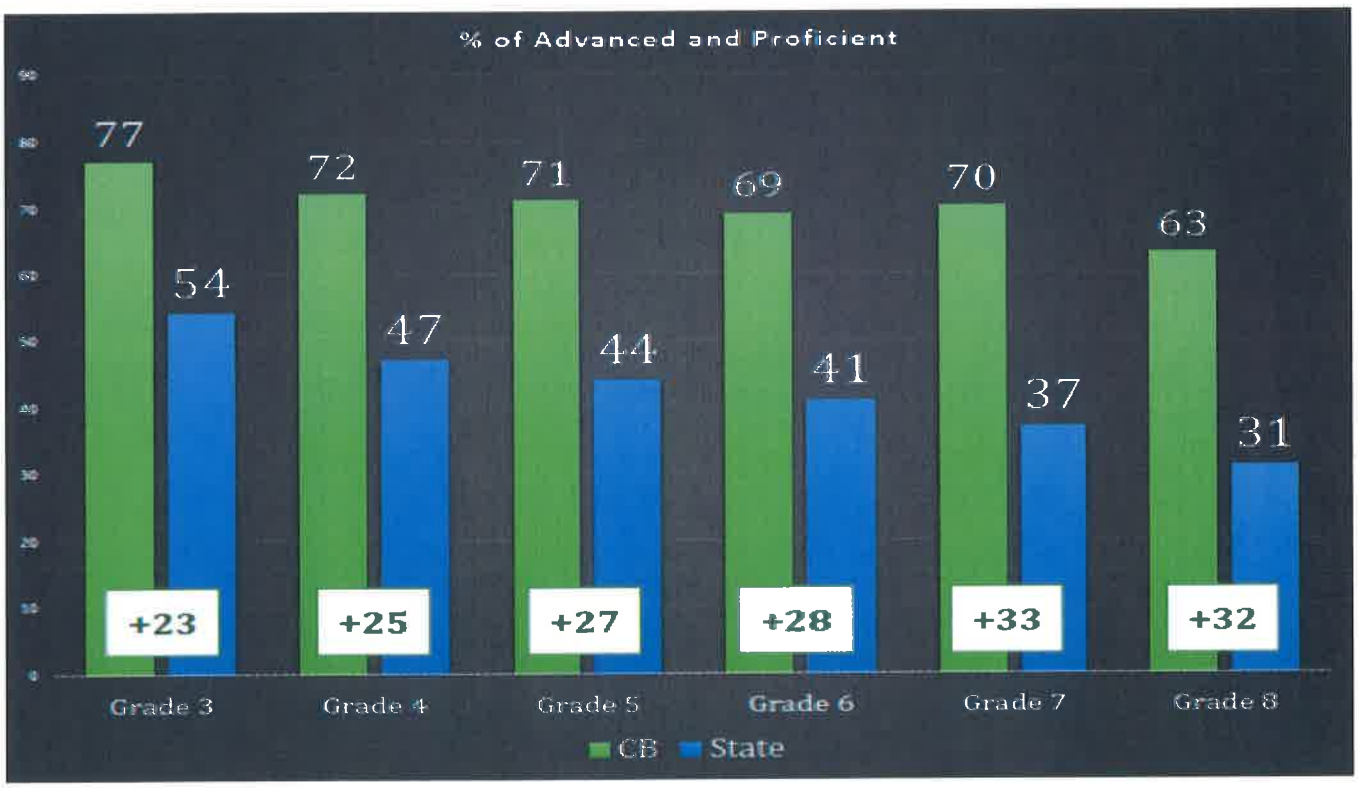
	Class of 2010	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015	Class of 2016
4 Year Colleges	75%	75%	76%	77.4%	76.6%	78.2%	76.8%
2 Year Colleges	16%	15%	16%	13.5%	13.4%	13.6%	12.8%
Employment	3%	3%	3%	3%	4%	3.7%	3.2%
Armed Forces	1%	1%	1%	1%	2%	<1%	1.2%
Other	4%	5%	3%	4%	3%	2.6%	6%

Class	# of Graduates	Avg. GPA	Total Submitted College Applications
2007	1,501	3.137	5,474
2008	1,491	3.219	6,152
2009	1,517	3.22	6,350
2010	1,524	3.25	6,862
2011	1,673	3.29	7,802
2012	1,558	3.37	7,215
2013	1,630	3.41	7,170
2014	1,699	3.41	7,852
2015	1,606	3.41	7,470
2016	1628	3.47	7,697

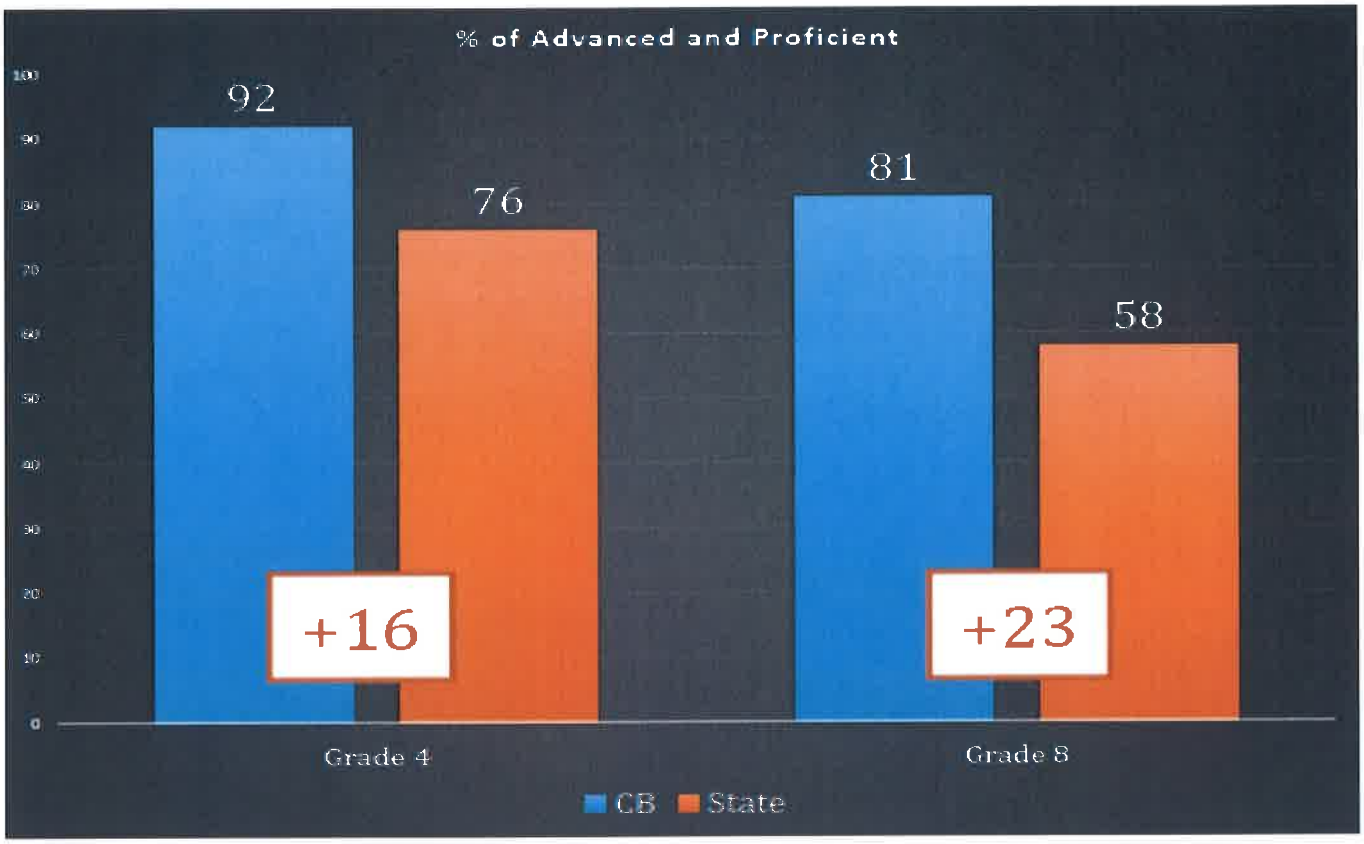
PSSA Scores: English Language Arts



PSSA Scores: Mathematics



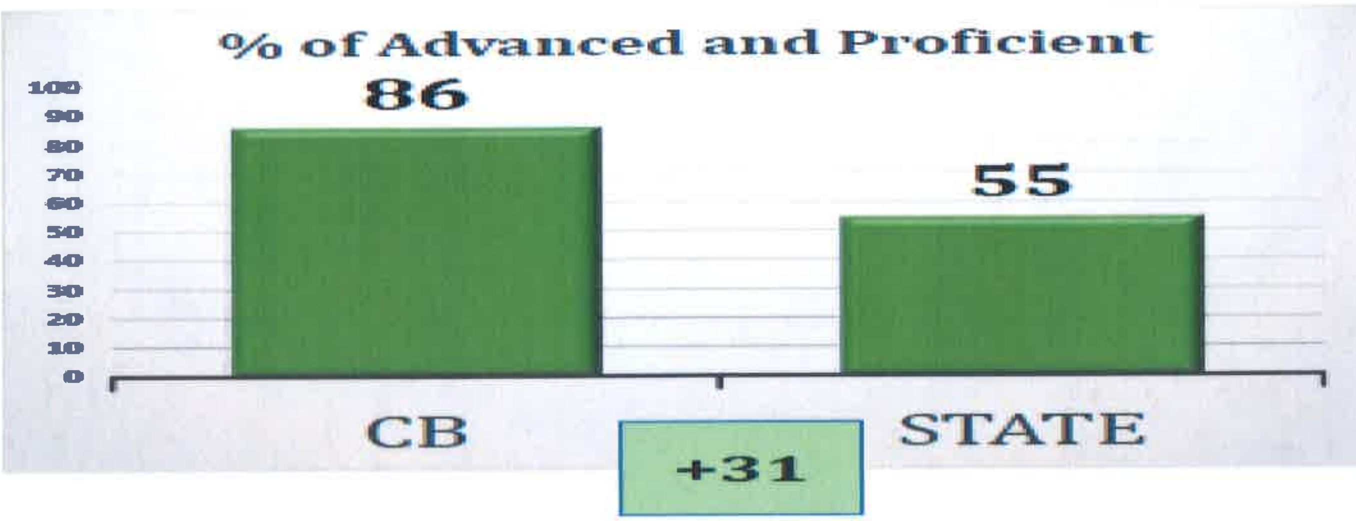
PSSA Scores: Science



Keystone Exam Scores

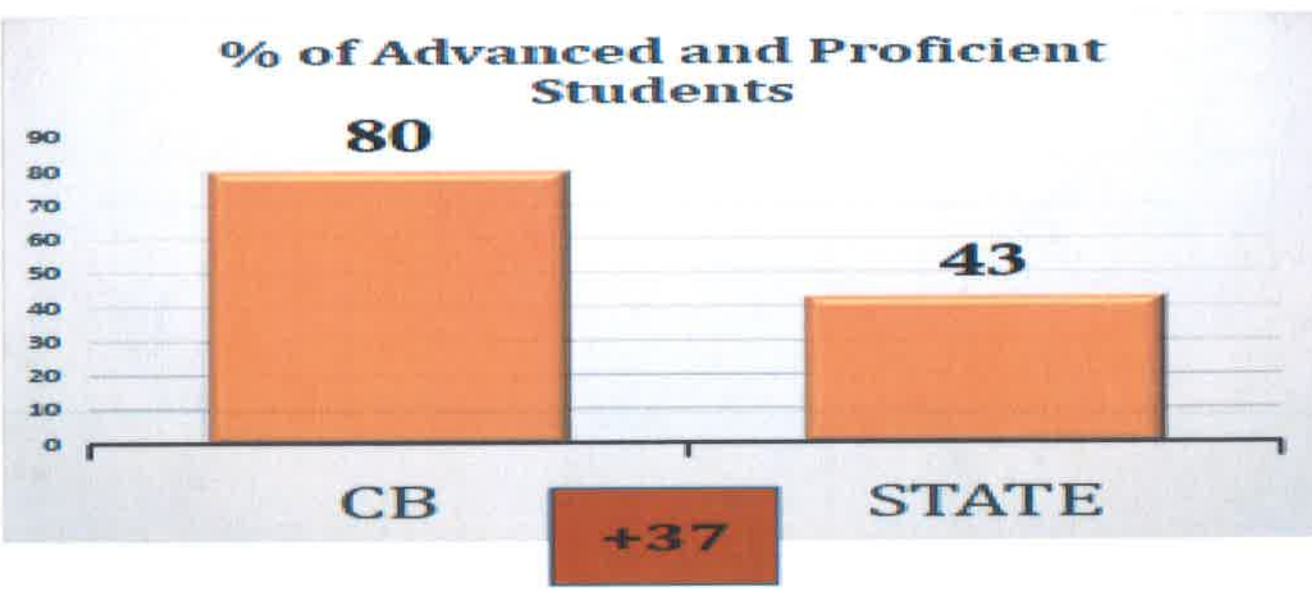
Literature Keystone: 2016

- *Winter 2015-16*
- *Spring 2016*



Biology Keystone: 2016

- *Winter 2015-16*
- *Spring 2016*



SAT: CLASS of 2016

College Bound Seniors Report 2016

2016 Scores	Critical Reading	Math	Writing	TOTAL	% Participation
CB East	556	583	565	1704	91%
CB South	531	556	540	1627	88%
CB West	545	564	539	1648	84%
District	544	568	548	1660	88%
PA	500	506	481	1487	
National	494	508	482	1484	

Longitudinal CB SAT Scores

Class Of	Cr. Rd.	Math	Wrt	Total	%
2008	534	555	534	1623	84%
2009	535	555	538	1629	81%
2010	537	562	542	1641	82%
2011	541	561	545	1647	87%
2012	537	560	543	1640	87%
2013	538	563	546	1647	87%
2014	539	558	545	1642	87%
2015	541	557	540	1638	89%
2016	544	568	548	1660	88%
CB to Nation	+50	+60	+66	+176	

ACT Profile: Class of 2016

Average Scores for 2016 Graduates

	Eng.	Math	Reading (Soc St)	Science	Composite
CB East	25.9	26.1	26.4	25.1	26.0
CB South	23.8	24.6	24.5	23.9	24.3
CB West	24.4	25.4	25.6	24.4	25.1
District	24.9	25.4	25.5	24.5	25.2
PA	22.6	23.0	23.6	22.8	23.1
National	20.1	20.6	21.3	20.8	20.8

ACT Profile: Class of 2016

Percent of ACT-Tested Students Ready for College-Level Coursework

	College Eng. Comp.	College Algebra	College Reading in Soc. St	College Biology	Meeting all Four Benchmarks
CB East	92%	84%	80%	72%	67%
CB South	87%	75%	70%	61%	52%
CB West	91%	81%	75%	71%	63%
District	90%	80%	76%	67%	61%
PA	77%	61%	61%	52%	42%
Nat.	61%	41%	44%	36%	26%

13 Central Bucks Elementary Schools Among Top 100 In Pennsylvania, New Ranking Says

Titus Elementary School was the top-ranked Central Bucks elementary school, and the highest ranked in all of Bucks County.

Doylestown Patch By Kara Seymour 8/31/17

Central Bucks School District had an impressive showing in a new ranking of the best elementary schools in Pennsylvania.

The ranking, done by information analysts Niche.com, was based on "rigorous analysis" of key statistics from the U.S. Department of Education, as well as reviews from students and parents, the website said.

Thirteen Central Bucks elementary schools were included in the list's top 100 across the state. Titus Elementary School was the top-ranked Central Bucks elementary school, and the highest-ranking elementary school in all of Bucks County.

The Central Bucks schools included in the top 100 are:

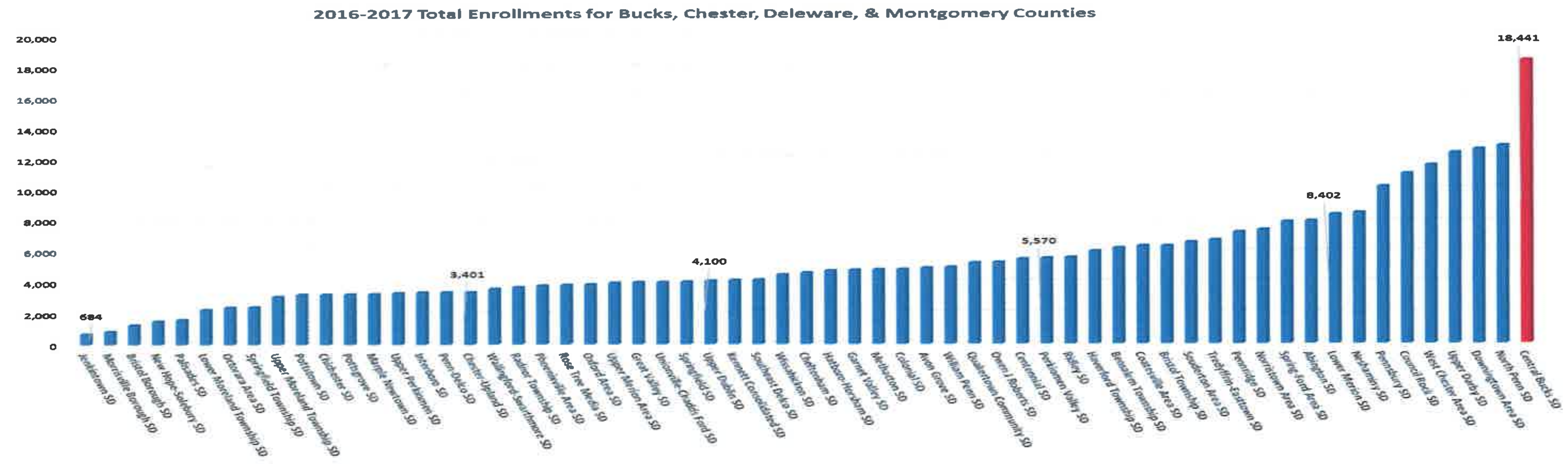
- Titus Elementary School (32)
- Kutz Elementary School (36)
- Mill Creek Elementary School (40)
- Warwick Elementary School (41)
- Buckingham Elementary School (43)
- Bridge Valley Elementary School (46)
- Gayman Elementary School (53)
- Doyle Elementary School, (55)
- Linden Elementary School (67)
- Cold Spring Elementary School (70)
- Jamison Elementary School (72)
- Pine Run Elementary School (78)
- Butler Elementary School (87)

Ranking factors include state test scores, student-teacher ratio, student diversity, teacher quality, grade school ratings, and the overall quality of the school district, according to Niche.com. According to Niche, the best elementary school in Pennsylvania is Ithan Elementary School in the Radnor Township School District, which also finished in 16th place nationwide.

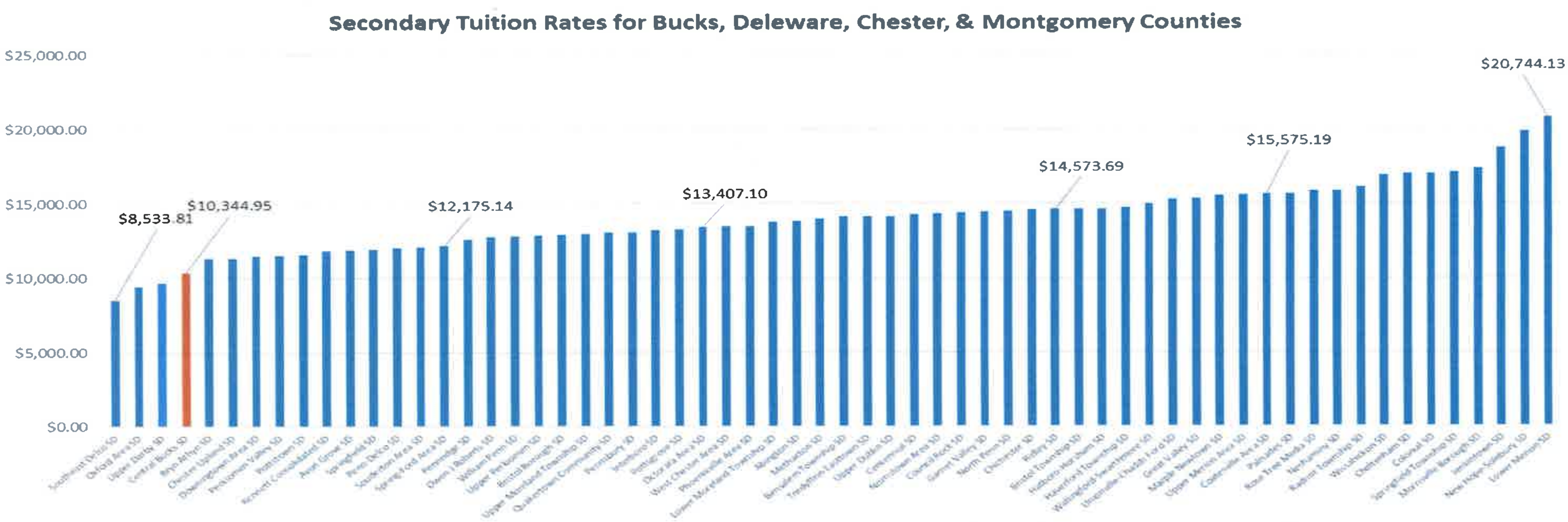
According to Niche, these are the 100 best elementary schools in Pennsylvania. (Click here to see the full ranking).

1. Ithan Elementary School, Radnor Township
2. Penn Wynne School, Lower Merion
3. Merion Elementary School, Lower Merion
4. Cynwyd Elementary School, Lower Merion
5. Radnor Elementary School, Radnor Township
6. Franklin Elementary School, North Allegheny
7. Hoover Elementary School, Mt. Lebanon
8. Wayne Elementary School, Radnor Township
9. Gladwyne Elementary School, Lower Merion
10. Fairview Elementary School, Fox Chapel Area
11. Hillside Elementary School, Tredyffrin-Easttown
12. Beaumont Elementary School, Tredyffrin-Easttown
13. Belmont Hills Elementary School, Lower Merion
14. Bradford Woods Elementary School, North Allegheny
15. Foster Elementary School, Mt. Lebanon
16. Peebles Elementary School, North Allegheny
17. Penn Valley School, Lower Merion
18. Markham Elementary School, Mt. Lebanon
19. Marshall Elementary School, North Allegheny
20. O'Hara Elementary School, Fox Chapel Area
21. Chadds Ford Elementary School, Unionville-Chadds Ford
22. Valley Forge Elementary School, Tredyffrin-Easttown
23. Lower Gwynedd Elementary School, Wissahickon
24. Streams Elementary School, Upper St. Clair
25. Kathryn D. Markley Elementary School, Great Valley
26. Corl Street Elementary School, State College Area
27. Lincoln Elementary School, Mt. Lebanon
28. Howe Elementary School, Mt. Lebanon
29. The Souderton Charter School Collaborative
30. Stony Creek Elementary School, Wissahickon
31. Pocopson Elementary School, Unionville-Chadds Ford
32. Titus Elementary School, Central Bucks 1
33. Baker Elementary School, Upper St. Clair
34. Washington Elementary School, Washington Elementary School
35. Radio Park Elementary School, State College Area
36. Kutz Elementary School, Central Bucks 2
37. Hosack Elementary School, North Allegheny
38. Devon Elementary School, Tredyffrin-Easttown
39. New Eagle Elementary School, Tredyffrin-Easttown
40. Mill Creek Elementary School, Central Bucks 3
41. Warwick Elementary School, Central Bucks 4
42. Hillendale Elementary School, Unionville-Chadds Ford
43. Buckingham Elementary School, Central Bucks 5
44. Parkway Manor School, Parkland
45. Ingomar Elementary School, North Allegheny
46. Bridge Valley Elementary School, Central Bucks 6
47. Eisenhower Elementary School, Upper St. Clair
48. Montgomery Elementary School, North Penn
49. Infinity Charter School, Penbrook
50. Coopertown Elementary School, of Haverford Township
51. South Fayette Township Elementary School, South Fayette Township
52. Wallingford Elementary School, Wallingford-Swarthmore
53. Gayman Elementary School, Central Bucks 7
54. Walton Farm Elementary School, North Penn
55. Doyle Elementary School, Central Bucks 8
56. Swarthmore-Rutledge School, Wallingford-Swarthmore
57. Whitemarsh Elementary School, Colonial
58. McKnight Elementary School, North Allegheny
59. Kernsville Elementary School, Parkland
60. Unionville Elementary School, Unionville-Chadds Ford
61. Worcester Elementary School, Methacton
62. Jefferson Elementary School, Mt. Lebanon
63. Fred J. Jaindl Elementary School, Parkland
64. Plymouth Elementary School, Colonial
65. Chatham Park Elementary School, of Haverford Township
66. Gwynedd Square Elementary School, North Penn
67. Linden Elementary School, Central Bucks 9
68. Indian Lane Elementary School, Rose Tree Media
69. South Fayette Intermediate School, South Fayatte Township
70. Cold Spring Elementary School, Central Bucks 10
71. Conshohocken Elementary School, Colonial
72. Jamison Elementary School, Central Bucks 11
73. Audubon Elementary School, Methacton
74. East Bradford Elementary School, West Chester Area
75. Sol Feinstone Elementary School, Council Rock
76. Evergreen Elementary School, Perkiomen Valley
77. Blue Bell Elementary School, Wissahickon
78. Pine Run Elementary School, Central Bucks 12
79. Ridge Park Elementary School, Colonial
80. Fern Hill Elementary School, West Chester Area
81. Mary C. Howse Elementary School, West Chester Area
82. Rose Tree Elementary School, Rose Tree Media
83. Charlestown Elementary School, Great Valley
84. Houserville/Lemont Elementary School, State College Area
85. Shaull Elementary School, Cumberland Valley
86. Hartwood Elementary School, Fox Chapel Area
87. Butler Elementary School, Central Bucks 13
88. Nether Providence Elementary School, Wallingford-Swarthmore
89. Pine Road Elementary School, Lower Moreland Township
90. Spring Ridge Elementary School, Wilson
91. Leaders Heights Elementary School, Dallastown Area
92. Westtown-Thornbury Elementary School, West Chester Area
93. Kulp Elementary School, North Penn
94. Chestnutwold Elementary School, of Haverford Township
95. Rydal East Elementary School, Abington
96. Maple Glen Elementary School, Upper Dublin
97. Wyland Elementary School, Hampton Township
98. Ferguson Township Elementary School, State College Area
99. Wrightstown Elementary School, Council Rock
100. Exton Elementary School, West Chester Area

FY 2016-2017 Enrollment Comparison



FY 2016-2017 Secondary Tuition Rates



Central Bucks School District
Ratification of Investments for the Month of
September, 2017

Ratifying action is requested on the following investments which were made during the above timeframe.

General Fund-Term Investments

Category	Purchase Date	Principal	Maturity Date	Rate	Term Yield	Bank Name
MBS	9/6/2017	$245,000.00	9/6/2018	1.45%	$3,552.50	Goldman Sachs Bank USA
	TOTALS	**$245,000.00**			**$3,552.50**	

Central Bucks School District
Investment Portfolio
Summary Totals by Bank
September 30, 2017

Bank Name	Principal Amount
Centric Bank	5,000,000
Citibank	49,242,786
Firstrust Bank	49,068,385
MBS	2,450,000
PLGIT	262,050
PSDLAF	49,797,893
Quakertown National Bank	23,095,874
Santander	4,017,764
TD Bank	34,575,678
Univest Bank & Trust	49,014,669
William Penn Bank	246,000
Total	266,771,098

Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
September 30, 2017

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
GENERAL FUND BANK ACCOUNTS				
9/30/17	TD Bank	10/1/17	0.73%	21,185,973
9/30/17	PLGIT	10/1/17	0.77%	6,289
9/30/17	PSDLAF MAX Acct-Healthcare	10/1/17	0.82%	7,330
9/30/17	PSDLAF MAX Acct	10/1/17	0.82%	349,091
		Total General Fund Bank Accounts		**21,548,683**
GENERAL FUND CDs				
	Individual Bank CDs:			
8/9/17	Univest Bank & Trust	2/7/18	1.35%	15,000,000
8/15/17	Univest Bank & Trust	2/13/18	1.35%	15,000,000
8/16/17	Univest Bank & Trust	2/14/18	1.35%	15,000,000
7/18/17	Centric Bank	4/18/18	1.20%	5,000,000
8/18/17	William Penn Bank	8/17/18	1.15%	246,000
	PLGIT CDs :			
8/23/17	Bank of China, NY	8/23/18	1.50%	245,000
	PSDLAF CD's:			
2/7/17	Tristate Capital Bank-Healthcare	2/7/18	1.00%	245,000
	Multi Bank Securities CDs:			
12/14/16	BMW Bank of North America	12/14/17	1.00%	245,000
12/21/16	Enerbank USA	12/21/17	1.00%	245,000
1/11/17	Discover Bank	1/11/18	1.00%	245,000
1/17/17	Infinity Federal Credit Union	1/17/18	1.15%	245,000
1/20/17	Safra National Bank	1/19/18	1.05%	245,000
1/5/17	Shinham Bank	1/29/18	1.05%	245,000
8/31/17	Bank of Baroda	5/31/18	1.40%	245,000
7/19/17	Barclays Bank	7/19/18	1.40%	245,000
8/30/17	First Technology Federal Credit Union	8/30/18	1.60%	245,000
9/6/17	Goldman Sachs Bank USA	9/6/18	1.45%	245,000
		Total General Fund CDs		**53,186,000**
GENERAL FUND MONEY MARKET ACCOUNTS				
9/30/17	Santander	10/1/17	0.95%	4,017,764
9/30/17	PLGIT I-Class	10/1/17	0.95%	10,761
9/30/17	PSDLAF Full Flex-Healthcare	10/1/17	1.00%	696,000
9/30/17	PSDLAF Full Flex	10/1/17	1.10%	18,000,000
9/30/17	Univest Bank & Trust	10/1/17	1.00%	4,014,669
9/30/17	Firstrust Bank	10/1/17	1.05%	49,068,385
9/30/17	Quakertown National Bank	10/1/17	1.00%	19,525,012
9/30/17	Quakertown National Bank-Post Employment	10/1/17	1.00%	3,570,862
9/30/17	Citibank	10/1/17	1.00%	23,521,885
9/30/17	Citibank- Post Employment	10/1/17	1.00%	5,848,025
9/30/17	TD Bank- Healthcare	10/1/17	0.73%	1,591,882
		Total General Fund Money Market Accounts		**129,865,245**
		Total General Fund		**204,599,928**

Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
September 30, 2017

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
Fund 3 Checking Account				
9/30/17	TD Bank Fund 3 Checking Acct	10/1/17	0.73%	1,375,430
		Total Fund 3 Operations Account		**1,375,430**
Short Term Capital Reserve				
9/30/17	TD Bank	10/1/17	0.73%	7,323,119
		Total Short Term Capital Reserve		**7,323,119**
Capital Café Equip Reserve				
9/30/17	TD Bank Capital Proj- Bldg Cafeteria/Equip	10/1/17	0.73%	588,628
		Capital Café Equip Reserve		**588,628**
Technology Capital Reserve				
9/30/17	TD Bank	10/1/17	0.73%	949,967
				949,967
		Total Technology Reserve		
Transportation Capital Reserve				
9/30/17	TD Bank	10/1/17	0.73%	1,081,276
		Total Transportation Reserve		**1,081,276**
Long Term Capital Reserve				
9/30/17	PSDLAF MAX Acct	10/1/17	0.82%	61,472
9/30/17	PSDLAF Full Flex	10/1/17	1.10%	2,000,000
9/30/17	PSDLAF Full Flex	10/1/17	1.00%	12,365,000
9/30/17	PSDLAF Full Flex	10/1/17	1.00%	16,074,000
		Total Long Term Capital Reserve		**30,500,472**
		Total Capital Fund		**41,818,892**

Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
September 30, 2017

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
Debt Service Reserve				
9/30/17	Citibank	10/1/17	1.00%	19,872,875
			Total Debt Service Reserve	**19,872,875**

Central Bucks School District
Investment Portfolio
Food Service Fund- Bank Balances
September 30, 2017

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
Fund 5 Operations Account				
9/30/17	TD Bank Fund 5 Operations Acct	10/1/17	0.73%	479,403
			Total Food Service Fund	**479,403**
			Grand Total- All Funds	**266,771,098**
			Weighted Average Rate of Return	**1.05%**

Summary of Capital Reserve Account Activity & Fund Balance Status

Fund 3 - Summary of Capital Reserve Account Commitments & Balances

	Beginning Balance 7/1/2017	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 9/30/2017	Target Amount	% of Target	Comments
Short term Capital	$471,765.01	$12,000,000.00	$9,977.22	$5,158,623.43	$2,645,721.37	$4,677,397.43			
Café Equipment Capital	$649,943.67		$866.64	$62,182.31		$588,628.00			
Technology	-$1,473,167.71	$5,000,000.00	$807.55	$2,577,673.01	$52,934.73	$897,032.10			
Transportation	$333,353.00	$1,000,000.00	$1,217.00	$253,293.24	$280,207.00	$801,069.76			
Long Term Capital	$29,790,639.00	*$643,201.46	$66,631.54			$30,500,472.00	$42,000,000.00	73%	*transfer is the Proceeds from the sale of the Silo Hill property
Totals	$29,772,532.97	$18,000,000.00	$79,499.95	$8,051,771.99	$2,978,863.10	$37,464,599.29	$42,000,000.00	73%	

Capital Reserve Account Expenditure Detail: Comments

Short Term Capital

Jamison	$314,878.50	CBE	$437,648.64
Kutz	$174,204.50	CBS Track	$318,329.52
CBW Fields/track/auditorium	$ 1,329,736.62	Other projects-see next page	$627,696.66
Holicong	$1,956,128.91	Total Short Term Capital	$5,158,623.35

Fund 4 - Debt Service Fund Balance Projections

	Beginning Balance 7/1/2017	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance	Target Amount	% of Target	Comments
Debt Service	$19,823,826.00		$49,049.00			$19,872,875.00	$30,000,000.00		No future transfers budgeted for the debt service fund. Additional $10.3M needed for the potential $30M debt defeasance is available in the general fund balance from the following sources: 1. OPEB Reserve of $9.3M, considered unnecessary by the auditors. 2. $1M of the 2015-16 positive budget variance is available.

Fund Balances: Non-spendable, Unassigned & Assigned - General Fund 1

	Fund Balance 6/30/2017	Updated to reflect 1617 operations - subject to audit adjustments
Unassigned:	$ 14,704,635.00	4.4% of 17-18 Budget
Assigned:		
Budgetary Reserve	$ 4,639,065.00	From 15-16
Post Employment Reserve	$ 9,346,223.00	as noted above - could use for debt defeasance
Health Care Reserve	$ 2,518,369.00	
Total Assigned:	$ 16,503,657.00	
Non-spendable	$ 3,227,734.00	Prepaid Healthcare exp with Bucks Montco consortium
TOTAL FUND BALANCE	$ 34,436,026.00	

Fund Balance Food Service - Fund 5

	Fund Balance 6/30/2017	To be updated after 2016-17 close
Unassigned:	$ 991,296.27	

M:Rziccardi;Finance;CapitalProjectsSV

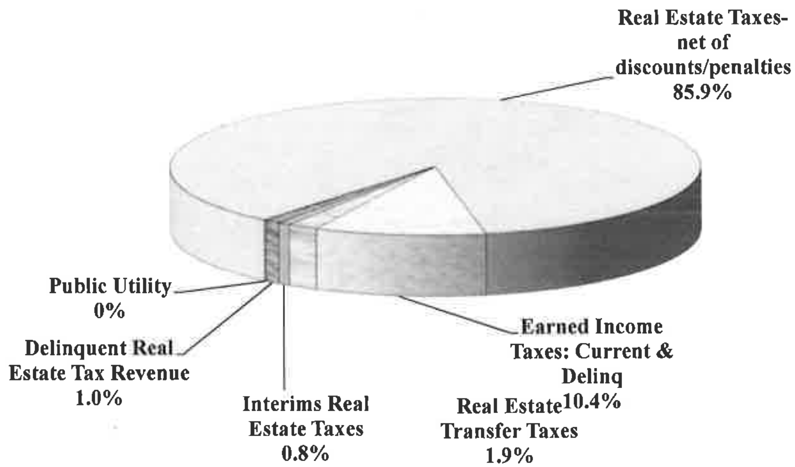
Summary of Capital Reserve Account Activity & Fund Balance Status

Fund 3 - Summary of Capital Reserve Account Commitments & Balances

Other Project Listing	
Kutz Bathroom	$3,098.32
Tohickon Shed & storage	$2,030.90
Paving	$28,930.25
Camera Upgrades	$279,055.00
CBW Auditorium	$5,571.00
Gayman	$34,531.46
CBE Pool Repair	$214,300.00
Facilities Assessment Project	$53,480.01
Unami	$6,699.72
Total	**$627,696.66**

Central Bucks School District
Projected Tax Collections

30-Sep-17



Revenues	2017-2018 Budget	2017-2018 Projected Actual	Variance Positive/(Negative)	% Projected Actual to Budget	2016-2017 Actual	2018-2019 Preliminary Budget	% change in 1819 over 1718 projected
1 Real Estate Taxes-net of discounts/penalties	214,932,568	214,810,452	(122,116)	-0.1%	$213,127,212	216,915,700	0.98%
2 Earned Income Taxes: Current & Delinq	26,035,100	26,237,273	202,173	0.8%	$25,849,530	26,762,018	2.00%
3 Real Estate Transfer Taxes	5,807,500	5,300,000	(507,500)	-8.7%	4,681,252	5,807,500	9.58%
4 Interims Real Estate Taxes	1,850,000	1,875,000	25,000	1.4%	1,876,806	1,877,750	0.15%
5 Delinquent Real Estate Tax Revenue	2,583,664	2,575,000	(8,664)	-0.3%	2,422,170	2,557,827	-0.67%
6 Public Utility	277,855	251,606	(26,249)	-9.4%	269,762	260,000	3.34%
Total	$251,486,687	$251,049,331	($437,356)	-0.17%	248,226,732	254,180,795	1.25%
			-0.174%				

1 Expect collections to be in line with prior years, at a rate of about 97.5% to 97.3%. The projection above reflects a 97.3% collection rate. May hit budget, but may come in slightly under.

2 In 2016-17 the EIT budget was increased by 6.7% to bump it up to the continued higher revenue levels since 11-12; but, in 1617 EIT revenue had another spike, increasing by almost 10% over the 1516 revenues, so budget was exceeded by $1.9 million. Historical increases have been: 11% in 13-14, 1.5% in 14-15, .5% in 15-16 and then up 9.9% in 1617. Expect 1718 increase to level off to about 1.5% and 1718 to be about the same.

3 Since 2011-2012 transfer tax revenues have been increasing on average $800,000 a year, until 1617 where revenues decreased by $216,000. Based on historical trends, expect an increase over 1617 actual of about $700,000, which will result in 1718 revenues coming in under budget by about $500,000.

4 Too early to see any trends with regard to Interim taxes. Will update projections in coming months.

5 With current tax collections continuing to be strong, it is likely that the delinquent tax revenue will be relatively flat.

6 Final - 100% collected - revenues have been varying from year to year. Based on current year, decreased projection for 1819.

I:\Budget Info_FilesBYyr\1617\Revenue

Payroll,
FICA, Medicare
and Retirement Projection
September 30, 2017

	Adjusted Budget	Actual final Expense	*Positive (Negative) Variance*	
PAYROLL	157,637,210	157,400,000	237,210	0.15%
FICA_MED	11,700,913	11,600,000	100,913	0.86%
RETIREMENT	51,050,283	51,040,059	10,224	0.02%
TOTAL	220,388,406	220,040,059	348,347	0.16%

Very early to make projections. Above estimate is conservative. Until the teachers step and receive a column change in January it will be difficult to project. Also, as more payroll data becomes available in other employee categories projections will be more meaningful.

Central Bucks School District - Fringe Benefits Report
30-Sep-17

		2018-19 Proposed Budget	2017-18 Budget	Encumbered	Spent (Net of Payments less copays)	Balance	% Committed	2016-17 Actuals	2017-18 Budget Increase over 16-17 Actual	% Increase 2017-18 Budget to 16-17 Actual
271	**Health care**	23,100,000	**22,217,295**	**16,867,295**	**5,350,000**	**-**	**100%**	21,552,477	664,818	3.08%
	1819 Projected Budget - increase of 4% based on trend of increasing healthcare costs	3.97%	Early in the year, so projections will change as amounts becomes more reflective of actual incurred costs.							
272	**Dental coverage**	1,306,395	**1,305,386**	**925,000**	**297,000**	**83,386**	**94%**	1,226,662	78,724	6.42%
	Self Insured:Curr Yr = 99,000 per month w/qrtrly reconciliations	6.91%								
213	**Life insurance**	185,395	**181,760**	**132,300**	**42,958**	**6,502**	**96%**	210,472	(28,712)	-13.64%
	First year with new vendor. Expect modest increase for 1819	5.78%	Budget amt based on lower preimium from new vendor							
274	**Disability coverage**	235,000	**220,011**	**175,000**	**58,121**	**(13,110)**	**106%**	208,211	11,800	5.67%
	1617 cost for disability, was down. Current to date trend looks to be up from 1617, so may exceed budget; based on early assuumption increased 1819 budget	0.81%			claims to date are higher than las year at thie time					
276	**Prescription drugs**	7,386,255	**7,185,073**	**5,460,000**	**1,821,089**	**(96,016)**	**101%**	6,193,602	991,471	16.01%
	Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends	1.44%			To date expense is about $92,000 over 1617. If continues will exxceed budget.					
250	**Unemployment comp**	45,985	**45,985**	**42,000**	**1,265**	**2,720**	**94%**	40,604	5,381	13.25%
	Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends	6.29%								
260	**Workers comp**	1,620,000	**1,619,912**	**700,000**	**895,027**	**24,885**	**98%**	1,490,624	129,288	8.67%
	Self Insured: Based on estimated premium provided by SDIC and adjusted based on prior yr experience	1.57%								
240 / 290	**Miscellaneous/Tuition**	575,000	**572,499**	**460,000**	**108,324**	**4,175**	**99%**	529,588	42,911	8.10%
		1.17%								
	Totals	34,454,031	**33,347,921**	**24,761,595**	**8,573,784**	**12,542**	**99.96%**	**31,452,240**	1,895,681	6.0%
		$ 1,118,652	3.36%		33,335,379		0.04% Variance			

$ 1,118,652 3.36%
1819 budget increase over 1718 projected

Note: 1617 exps up 19.1% over 1516 due to health exps

1819 Budgeted amounts are based off of projected actual expenses for 1718, and adjusted for any expected changes in trends.

1718 Budget is only increasing over 1617 by 7% because the projected health expense for 1617 far exceeded expectations.
It is expected to level off for 1718, so the cost may remain relatively flat; if not it will be a deficit
All other fringe lines should overall be in line with expected expenses.

Central Bucks School District
Expenditure Summary
30-Jun-17

	2017-2018 Budget	2016-2017 Adjusted Budget	2016-2017 YTD Expended	Balance	% Committed
1000 INSTRUCTION					
1100 REGULAR PROGRAMS					
100 SALARIES BUDGET	86,000,744	82,816,012	82,816,010	2	100.00%
200 EMPLOYEE BENEFITS	49,779,129	44,561,913	44,559,288	2,625	99.99%
300 PURCH PROF/TECH SERV	48,260	40,622	30,242	10,381	74.45%
400 PURCH PROP SERVICES	706,595	759,658	662,762	96,896	87.24%
500 OTHER PURCH SERVICES	971,000	1,023,250	1,005,126	18,124	98.23%
600 SUPPLIES	2,328,095	2,435,953	2,419,784	16,169	99.34%
700 PROPERTY	256,265	39,389	39,382	7	99.98%
800 OTHER OBJECTS	14,707	14,540	3,556	10,984	24.46%
1100 REGULAR PROGRAMS	**140,104,795**	**131,691,337**	**131,536,151**	**155,186**	99.88%
1200 SPECIAL ED					
100 SALARIES BUDGET	22,805,680	21,964,266	21,961,665	2,601	99.99%
200 EMPLOYEE BENEFITS	15,324,992	14,016,753	14,016,733	20	100.00%
300 PURCH PROF/TECH SERV	2,857,130	2,676,700	2,674,787	1,913	99.93%
400 PURCH PROP SERVICES	6,500	5,000	4,848	152	96.95%
500 OTHER PURCH SERVICES	1,733,545	1,930,723	1,923,333	7,390	99.62%
600 SUPPLIES	214,187	274,293	270,286	4,007	98.54%
700 PROPERTY	71,506	0	0	0	
800 OTHER OBJECTS	3,000	2,200	1,974	226	89.73%
1200 SPECIAL ED	**43,016,540**	**40,869,935**	**40,853,626**	**16,309**	99.96%
1300 VOCATIONAL EDUCATION					
500 OTHER PURCH SERVICES	4,800,000	4,439,915	4,351,611	88,304	98.01%
1300 VOCATIONAL EDUCATION	**4,800,000**	**4,439,915**	**4,351,611**	**88,304**	**99.93**
1400 OTHER INS PROG EL/SEC					
100 SALARIES BUDGET	740,791	673,610	673,472	138	99.98%
200 EMPLOYEE BENEFITS	278,403	362,918	362,902	16	100.00%
300 PURCH PROF/TECH SERV	83,000	85,500	52,753	32,747	61.70%
500 OTHER PURCH SERVICES	2,086,500	2,214,947	2,214,857	90	100.00%
600 SUPPLIES	25,370	85,000	84,999	1	100.00%
1400 OTHER INS PROG EL/SEC	**3,214,064**	**3,421,975**	**3,388,984**	**32,991**	99.04%
1500 NON PUBLIC SCHOOL PROGRAM					
500 OTHER PURCH SERVICES	0	4,153	4,153	0	100.00%
1500 NON PUBLIC SCHOOL PROGRAM	**0**	4,153	**4,153**	**0**	100.00%
1000 INSTRUCTION	**191,135,399**	**180,427,315**	**180,134,524**	**292,791**	99.84%

Central Bucks School District
Expenditure Summary
30-Jun-17

	2017-2018 Budget	2016-2017 Adjusted Budget	2016-2017 YTD Expended	Balance	% Committed
2500 BUSINESS					
100 SALARIES BUDGET	1,000,420	1,030,885	978,438	52,447	94.91%
200 EMPLOYEE BENEFITS	591,042	529,026	527,982	1,044	99.80%
300 PURCH PROF/TECH SERV	30,000	34,250	28,434	5,816	83.02%
400 PURCH PROP SERVICES	279,600	9,300	7,955	1,345	85.54%
500 OTHER PURCH SERVICES	17,700	18,500	16,736	1,764	90.46%
600 SUPPLIES	14,300	19,600	13,582	6,018	69.30%
700 PROPERTY	2,000	0	0	0	
800 OTHER OBJECTS	4,500	4,050	3,899	151	96.27%
2500 BUSINESS	**1,939,562**	**1,645,611**	**1,577,026**	**68,585**	95.83%
2600 OPERATIONS					
100 SALARIES BUDGET	9,589,599	9,544,260	9,544,090	170	100.00%
200 EMPLOYEE BENEFITS	7,151,925	7,043,432	7,043,408	24	100.00%
300 PURCH PROF/TECH SERV	0	115,000	101,440	13,560	88.21%
400 PURCH PROP SERVICES	4,995,414	4,703,799	4,694,030	9,769	99.79%
500 OTHER PURCH SERVICES	644,416	615,740	606,239	9,501	98.46%
600 SUPPLIES	2,814,412	2,658,592	2,655,888	2,704	99.90%
700 PROPERTY	150,000	165,030	165,028	2	100.00%
800 OTHER OBJECTS	4,200	3,900	3,845	55	98.58%
2600 OPERATIONS	**25,349,966**	**24,849,753**	**24,813,967**	**35,786**	99.86%
2700 PUPIL TRANSPORTATION					
100 SALARIES BUDGET	5,412,135	5,282,137	5,282,135	2	100.00%
200 EMPLOYEE BENEFITS	4,136,452	4,092,245	4,092,203	42	100.00%
300 PURCH PROF/TECH SERV	3,000	3,000	2,854	146	95.13%
400 PURCH PROP SERVICES	117,500	170,500	135,454	35,046	79.45%
500 OTHER PURCH SERVICES	8,949,220	9,174,929	8,880,865	294,064	96.79%
600 SUPPLIES	770,000	458,844	354,880	103,964	77.34%
700 PROPERTY	55,000	0	0	0	
800 OTHER OBJECTS	700	550	100	450	18.18%
2700 PUPIL TRANSPORTATION	**19,444,007**	**19,182,205**	**18,748,491**	**433,714**	97.74%
2800 CENTRAL SUPPORT					
100 SALARIES BUDGET	1,273,781	1,413,247	1,347,378	65,869	95.34%
200 EMPLOYEE BENEFITS	799,748	599,309	598,161	1,148	99.81%
300 PURCH PROF/TECH SERV	200,506	222,200	183,028	39,172	82.37%
400 PURCH PROP SERVICES	732,940	660,000	655,379	4,621	99.30%
500 OTHER PURCH SERVICES	453,664	294,000	219,432	74,568	74.64%
600 SUPPLIES	86,460	123,725	96,566	27,159	78.05%
700 PROPERTY	2,500	23,400	23,393	7	99.97%
800 OTHER OBJECTS	636	375	375	0	100.00%
2800 CENTRAL SUPPORT	**3,550,235**	**3,336,256**	**3,123,712**	**212,544**	93.63%
2900 OTHER SUPPORT SERVICES					
500 OTHER PURCH SERVICES	235,000	235,000	224,634	10,366	95.59%
2900 OTHER SUPPORT SERVICES	**235,000**	**235,000**	**224,634**	**10,366**	95.59%
2000 SUPPORT SERVICES	**95,908,321**	**92,280,510**	**91,519,514**	**760,995**	99.18%

Central Bucks School District
Expenditure Summary
30-Jun-17

	2017-2018 Budget	2016-2017 Adjusted Budget	2016-2017 YTD Expended	Balance	% Committed
5100 DEBT SERVICE					
800 INTEREST	3,610,144	4,063,194	4,063,194	0	100.00%
900 PRINCIPAL	10,980,000	12,005,000	12,005,000	0	100.00%
5100 DEBT SERVICE	**14,590,144**	**16,068,194**	**16,068,194**	**0**	100.00%
5200 TRANSFERS TO OTHER FUNDS					
900 TRANSFERS	22,000,000	22,000,000	28,646,000	-6,646,000	130.21%
5200 TRANSFERS TO OTHER FUNDS	**22,000,000**	**22,000,000**	**28,646,000**	**-6,646,000**	130.21%
5000 OTHER FINANCING USES	**36,590,144**	**38,068,194**	**44,714,194**	**-6,646,000**	117.46%
GRAND TOTAL	**331,810,756**	**318,775,592**	324,142,612	**-5,367,020**	101.68%
			(6,646,000)	**-6,646,000**	Less unbudgeted trnsf Ren Sub to Capital
			317,496,612.40	**1,278,980**	Balance from Operations

Summary by Object	1718 Budget	1617 Adjusted Budget	1617 Actual	
Payroll 100	157,637,210	152,501,922	152,306,826	
Benefits 200	96,099,117	88,271,772	88,266,092	
Professional Services 300	5,407,214	4,961,770	4,821,488	
Property Services 400	6,949,114	6,398,407	6,247,203	
Purchased Proerty Services 500	20,496,019	20,576,319	20,024,690	
Supplies 600	7,813,384	7,664,112	7,453,480	
Capital Equipment 700	713,718	249,064	249,047	
Dues and Fees 800	3,714,980	4,147,226	4,122,786	
Principal & Transfers 900	32,980,000	34,005,000	40,651,000	
Totals	331,810,756	318,775,592	324,142,612	
Change in 1718 budget to 1617 budget	4.089%		(6,646,000)	Less unbudgeled transfer Ren Sub to Capital
Change in 1718 budget to 1617 actual - net of trnsf.	4.508%		317,496,612	Ttl 1617 Expenditures

LOGIC
QUARTERLY REPORT
(AS OF SEPTEMBER 21, 2017)

CENTRAL BUCKS SCHOOL DISTRICT

Lawlace Consulting LLC is pleased to continue assisting the Central Bucks School District in providing services related to the investment of public funds. In accordance with our Investment Consulting Agreement, we have prepared the following analysis.

Financial Markets Overview

The Federal Reserve kept the fed funds rate steady in September and indicated its expectation that rates will rise once more in 2017. The banking industry posted generally positive results in the second quarter.

Monetary Policy and Interest Rates. The Federal Reserve maintained the target range for the federal funds rate at one percent to 1.25 percent at its September 20 meeting, after three increases since December 2016. The Fed has increased its benchmark interest rate by a full percentage point over the last two years after leaving the rate close to zero from late 2008 to late 2015. The Federal Open Market Committee noted that information received since July showed that the labor market has continued to strengthen and that economic activity has been rising moderately so far this year. Job gains have remained solid in recent months, and the unemployment rate has stayed low. Household spending has been expanding at a moderate rate, and growth in business fixed investment has picked up in recent quarters. On a 12-month basis, overall inflation and the measure excluding food and energy prices have declined this year and are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

The Committee referenced the hardships caused by recent hurricanes and observed that "storm-related disruptions and rebuilding will affect economic activity in the near term, but past experience suggests that the storms are unlikely to materially alter the course of the national economy over the medium term."

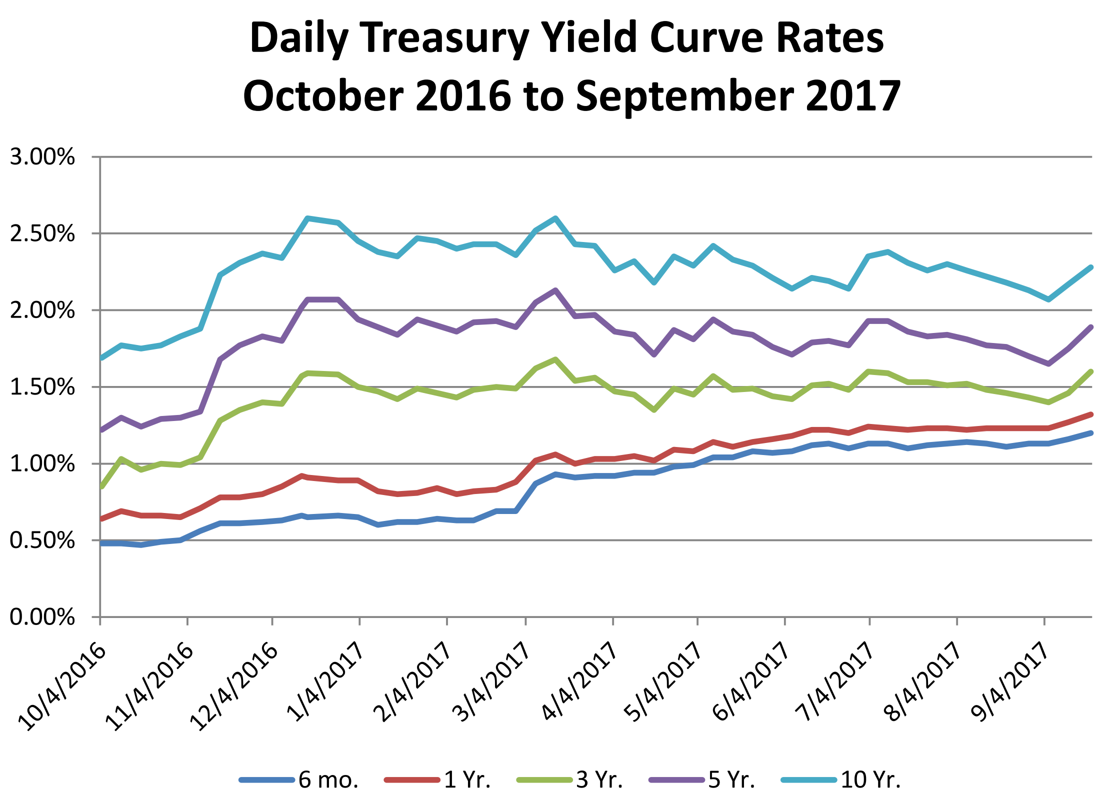
The Committee noted its expectation that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace, labor market conditions will strengthen somewhat further, and inflation on a twelve-month basis is expected to remain somewhat below 2 percent in the near term but to stabilize around 2 percent over the medium term.

The Committee indicated that it expects one more rate increase this year, three increases next year, two in 2019 and one in 2020. The Committee's statement repeated its language that the timing and size of future adjustments in the fed funds target rate will depend on the Committee's assessment of "realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments." The Committee expects economic activity to change in a manner that "will warrant gradual increases in the federal funds rate."

The Committee announced that in October it will initiate the balance sheet normalization program previously outlined and will begin to sell some of the Treasury and mortgage bonds it acquired after the financial crisis as part of its efforts to lower interest rates for borrowers. The Fed said it would initially shed $10 billion a month for three months, divided 60-40 between Treasuries and mortgage bonds. It will then raise the pace by $10 billion every three months, maintaining the same division, until reaching $50 billion a month. The rate increase and the planned reduction of the Fed's portfolio are intended to raise borrowing costs for businesses and consumers after almost a decade of historically low interest rates.

Federal Reserve Chairwoman Janet Yellin observed in her press conference following the meeting that "The basic message here is U.S. economic performance has been good. The American people should feel the steps we have taken to normalize monetary policy . . . are well justified given the very substantial progress we've seen in the economy."

The chart below shows the bond market's reaction to these developments over the last year. Interest rates began moving upward following the election last November. Six-month notes rose from 0.50% on November 1, 2016 and have now reached 1/20% on September 20, 2017. Five-year and ten-year rates trended upward from their lows in November and have now leveled off somewhat at 1.89% and 2.28%, respectively, as of September 20, 2017.



*__Banking Industry Highlights__***.** Commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC) reported aggregate net income of $48.3 billion in the second quarter of 2017, up $4.7 billion (10.7 percent) from a year earlier. The increase in earnings was mainly attributable to a $10.3 billion (9.1 percent) increase in net interest income and a $654 million (1 percent) increase in noninterest income. Of the 5,787 insured institutions reporting second quarter financial results, 63.4 percent reported year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable in the first quarter fell to 4.1 percent from 4.6 percent a year earlier.

"This was another positive quarter for the banking industry. Revenue and net income growth were both strong, profitability reached a post-crisis high, and net interest margins improved. While the quarterly results were largely positive, the operating environment for banks remains challenging." FDIC Chairman Martin J. Gruenberg said. "Community banks also reported another solid quarter of revenue, net income, and loan growth," Gruenberg said. "However, as the economy enters the ninth year of an expansion characterized by modest growth, the annual rate of loan growth continued to slow for a third consecutive quarter. The industry must manage interest-rate risk, liquidity risk, and credit risk carefully to remain on a long-run, sustainable growth path."

Quarterly earnings were 10.7 percent higher than in the second quarter of 2016 due to relatively strong growth in net interest income and relatively limited growth in operating expenses. Net interest income was $10.3 billion (9.1 percent) higher than a year ago. Loan-loss provisions totaled $12 billion, an increase of $273 million (2.3 percent) compared to second quarter 2016. Noninterest expenses of $108.6 billion were $3.5 billion (3.3 percent) higher than in second quarter 2016, as a 2.3 percent year-over-year increase in employment was reflected in higher payroll expenses. The industry's return on assets (ROA) rose to 1.14 percent in the second quarter, from 1.08 percent a year earlier. This is the highest average ROA for the industry since second quarter 2007. More than half of all banks – 55.5 percent – reported year-over-year increases in their ROAs.

Loan and lease balances increased 1.7 percent during the three months ended June 30. All major loan categories registered growth during the second quarter. Residential mortgage loans increased $35.1 billion (1.8 percent), credit card balances rose $23.6 billion (3.1 percent), and loans to commercial and industrial borrowers grew $22.1 billion (1.1 percent). For the 12 months ended June 30, loan and lease balances were up $337.6 billion, a 3.7 percent increase.

Community banks increased their loan balances by $16.7 billion (1.1 percent) during the quarter and by $109.9 billion (7.7 percent) over the past 12 months. Still, loan growth has remained at or above nominal GDP growth.

The FDIC reported that that equity capital increased by $38.7 billion (2 percent) during the quarter. Retained earnings contributed $20 billion to the growth in capital, $322 million (1.6 percent) less than in second quarter 2016. Banks declared $28.3 billion in dividends in the quarter, up $5 billion (21.4 percent) from the year-earlier quarter. Lower long-term interest rates contributed to an $8 billion improvement in accumulated other comprehensive income, which was reflected in the equity capital increase. At the end of the quarter, 99.4 percent of all FDIC-insured institutions, representing 99.96 percent of total industry assets, met or exceeded the requirements for well-capitalized banks, as defined for Prompt Corrective Action purposes.

Total loan-loss reserves posted a modest ($197 million, 0.2 percent) decline during the second quarter. The industry's coverage ratio of reserves to noncurrent loans and leases rose from 97.5 percent to 104.3 percent, the highest level since third quarter 2007. Banks with assets greater than $1 billion, which account for 90 percent of the industry's loss reserves, increased their reserves for credit card losses by $1.4 billion (4.3 percent), while reducing their reserves for commercial loan losses by $1.1 billion (3.3 percent) and their reserves for residential real estate loan losses by $922 million (5.5 percent).

The number of FDIC-insured commercial banks and savings institutions reporting financial results fell to 5,787 in the second quarter, from 5,856 in the first quarter. During the second quarter, three insured institutions failed, while 62 institutions were absorbed by mergers. No new reporters were added during the quarter. The number of institutions on the FDIC's Problem Bank List declined for a 25th consecutive quarter, from 112 to 105. This is the smallest number of problem banks since March 31, 2008, and is almost 90 percent below the peak of 888 at the end of March 2011. The number of full-time equivalent employees rose by 11,663 (0.6 percent) to 2,093,278 during the quarter, which was 48,019 higher than second quarter 2016 (2.3 percent). This is still 5.9 percent below the peak of 2,223,383 employees in first quarter 2007.

These ongoing challenges to financial institutions continue to require vigilance in monitoring the financial health of banks entrusted with public funds deposits.

Credit & Collateral Review

The Board Investment Report as of July 31, 2017 shows that the School District maintains significant investment deposits with Centric Bank, Citibank, QNB Bank, TD Bank, the Pennsylvania Local Government Investment Trust ("PLGIT") and the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). This report also examines BB&T (formerly National Penn Bank), Firstrust Savings Bank, Santander Bank and Univest Bank and Trust Company where the School District has smaller deposits and Monument Bank at your request, The School District also has additional investments with banks that are below the FDIC insurance limit.

In connection with this report we reviewed the available collateral reports of the financial institutions utilized by the School District. Act 72 of 1971, the Commonwealth statute that governs the collateralization of public funds, provides significant latitude to financial institutions and permits them to use types of securities as collateral that are not allowed for direct investment by the School District. Therefore, credit and collateral review is an on-going process.

Collateral Characteristics. The latitude allowed by Act 72 permits financial institutions to sue a wide variety of types of securities, many of which may be subject to rapidly fluctuating values, as demonstrated by turmoil in credit markets during and after the financial crisis.

Obligations of the United States, including direct United States Treasury obligations and obligations issued by Government National Mortgage Association (GNMA), are obviously the safest type of collateral for deposits, followed by obligations of federal agencies such as Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). GNMA, FNMA and FHLMC issue pooled securities containing mortgages that meet the criteria for conforming loans set by regulators. These federal agency pooled securities are highly rated and highly liquid and are guaranteed by the federal agencies so that the securities maintain their value even if the underlying mortgages encounter problems.

Other institutions pledge municipal debt obligations such as general obligation and revenue bonds issued by states, counties, municipalities, authorities and school districts. Municipal obligations issued by Pennsylvania entities are permitted investments for school districts under Section 440.1 of the School Code. It should be noted that municipal obligations of entities located outside of Pennsylvania may be used as collateral even though school districts are not permitted to invest in them directly. While not as secure as U.S. Treasury obligations or federal agency instruments, municipal securities are generally considered to be safe. In addition, many of them are insured by municipal bond insurers, adding another layer of security.

Private label mortgage-backed securities (MBS), collateralized mortgage obligations (CMO), asset-backed securities (ABS) and collateralized debt obligations (CDO) may be used by some institutions as collateral. Each of these types of securities has different structures and characteristics that affect their value in different markets and therefore their suitability as part of a collateral pool.

Bank Insight Ratings. The LOGIC program uses financial analysis provided by SNL Financial Bank Insight (successor to Thomson Reuters) as one tool for evaluating the strength of a financial institution. Bank Insight provides ratings of financial institutions on a quarterly basis using publicly available financial data. A rating is based on a scale from 0 – 99 with 0 being the lowest and 99 being the highest. Ratings are distributed on a bell curve with the large majority of institutions falling somewhere in the middle. Bank Insight's ratings are based on specific financial ratios that were selected after a study examining the best combination of ratios to determine the potential for failure. The study was conducted on 50 high performance and 50 failed institutions in 1988 and 1991 when there were high failure rates for banks.

These ratios examine capital adequacy, asset quality, earnings and liquidity which are then weighted to indicate the relative importance of each ratio used in the rating system, as follows:

Capital Adequacy	30%
Asset Quality	35%
Earnings	25%
Liquidity	10%

Bank Insight also assigns a peer group ranking based on the cumulative percentage of institutions rated below a particular rating. For example, an institution may have a rating of 50 with a rating rank of 60 meaning that 60% of all institutions in the peer group have a ranking of 50 or below. We generally consider a ranking of 20 to be the minimum acceptable level. A decline of 10 points or more from one quarterly reporting period to another may also be an indication that the institution has experienced financial difficulty deserving inquiry.

Bank Insight's peer group rating compares a financial institution to all institutions of like size based on the institution's total assets. The asset size peer groups for banks are:

1. Total Assets > than $10 billion
2. $5 billion to $9.9 billion
3. $1 billion to $4.9 billion
4. $500 million to $999 million
5. $300 million to $499 million
6. $100 million to $299 million
7. $50 million to $99 million
8. $25 million to $49 million
9. $10 million to $24 million
10. $0 to $9 million
11. Chartered in last 3 years and assets less than $150 million

This report looks at the Bank Insight peer group ratings in order to provide an overview of how each bank has fared during the course of the financial crisis. The report also provides regional bank ratings that compare all institutions of like types to all others in a certain region based on where the bank is headquartered. The Northeast region includes all of New England, New York, New Jersey and Pennsylvania.

Bank Information. The financial information regarding each bank is presented as of June 30, 2017, the most recently available data. Financial institutions continue to experience significant volatility that may not be reflected in this quarterly financial data.

Capital Adequacy. Section 131 of the FDIC Improvement Act of 1991 established five capital levels ranging from "well-capitalized" to "critically undercapitalized" to determine whether a bank requires prompt corrective action. The highest level, Capital Category 1, requires that an institution meet or exceed the following requirements: (i) a Total Risk-Based Capital Ratio of 10.00%, (ii) a Tier 1 Capital Ratio (core capital weighted assets) of 6.0%), and (iii) a Leverage Ratio (core capital to adjusted total assets) of 5.0%.

Asset Quality Ranking. Bank Insight also provides analysis and rankings of the quality of a bank's assets. The Asset Quality ranking used herein calculates "the percentile rank of a depository institution's asset quality ratio within its asset-size peer group as compared to all depository institutions in that peer group." The rankings are based on the cumulative percentage of institutions rated below a particular asset quality ratio This Asset Quality Ranking is used instead of the Troubled Asset Ratio provided in prior reports.

BB&T

Overview. BB&T Corporation (NYSE: BBT) today reported earnings for the second quarter of 2017. Net income available to common shareholders was a record $631 million, up 16.6 percent from the second quarter of 2016. Earnings per diluted common share were $0.77 for the second quarter of 2017. Excluding pre-tax merger-related and restructuring charges of $10 million ($6 million after tax), net income available to common shareholders was $637 million, or $0.78 per diluted share.

Net income available to common shareholders was $378 million ($0.46 per diluted share) for the first quarter of 2017 and $541 million ($0.66 per diluted share) for the second quarter of 2016.

"We are pleased to report record earnings and revenues for the second quarter," said Chairman and Chief Executive Officer Kelly S. King. "Taxable-equivalent revenues were a record $2.9 billion, up 3.9 percent compared to the second quarter of 2016," King said. "Net interest income was up $18 million and noninterest income was up $90 million from last year. In addition, revenues were up an annualized 10.7 percent, from the first quarter of 2017.

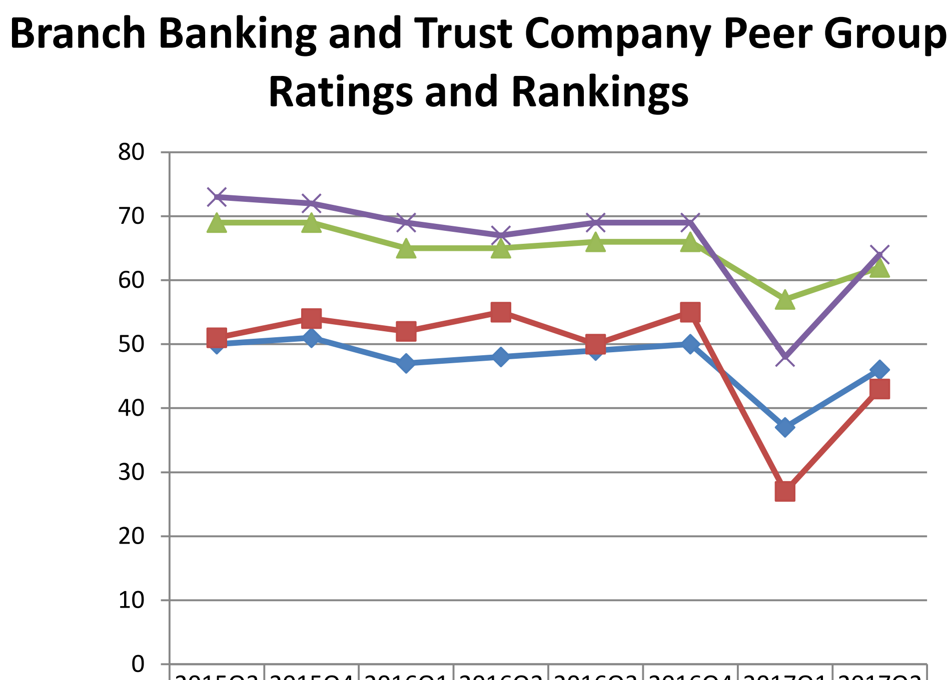
"Our credit quality improved further in the second quarter, as we had declines in non-performing assets, net charge-offs, performing TDRs and loans 90 days or more past due."

"We are also pleased to receive the Federal Reserve's non-objection to our capital plan that includes a quarterly dividend of $0.33 per share, an increase of ten percent, and up to $1.88 billion in share repurchases," King said. "This will allow us to continue to provide one of the strongest dividend payouts among all large banks."

Credit Ratings. Current ratings for BB&T Corp. and Branch Banking & Trust Company follow:

	Moody's	S&P	Fitch
BB&T Corp.			
Long-Term Ratings	A2	A-	A+
Outlook	Stable	Stable	Stable
Branch Banking & Trust Company			
Long-Term Ratings	Aa1	A	A+
Outlook	Stable	Stable	Stable

Peer Group Ratings. BB&T's Bank Insight peer group rating for June 30 was "46", placing the bank in the 43rd percentile of its peer group of banks with total assets over $10 billion. Bank Insight ratings and rankings for the last two years were:

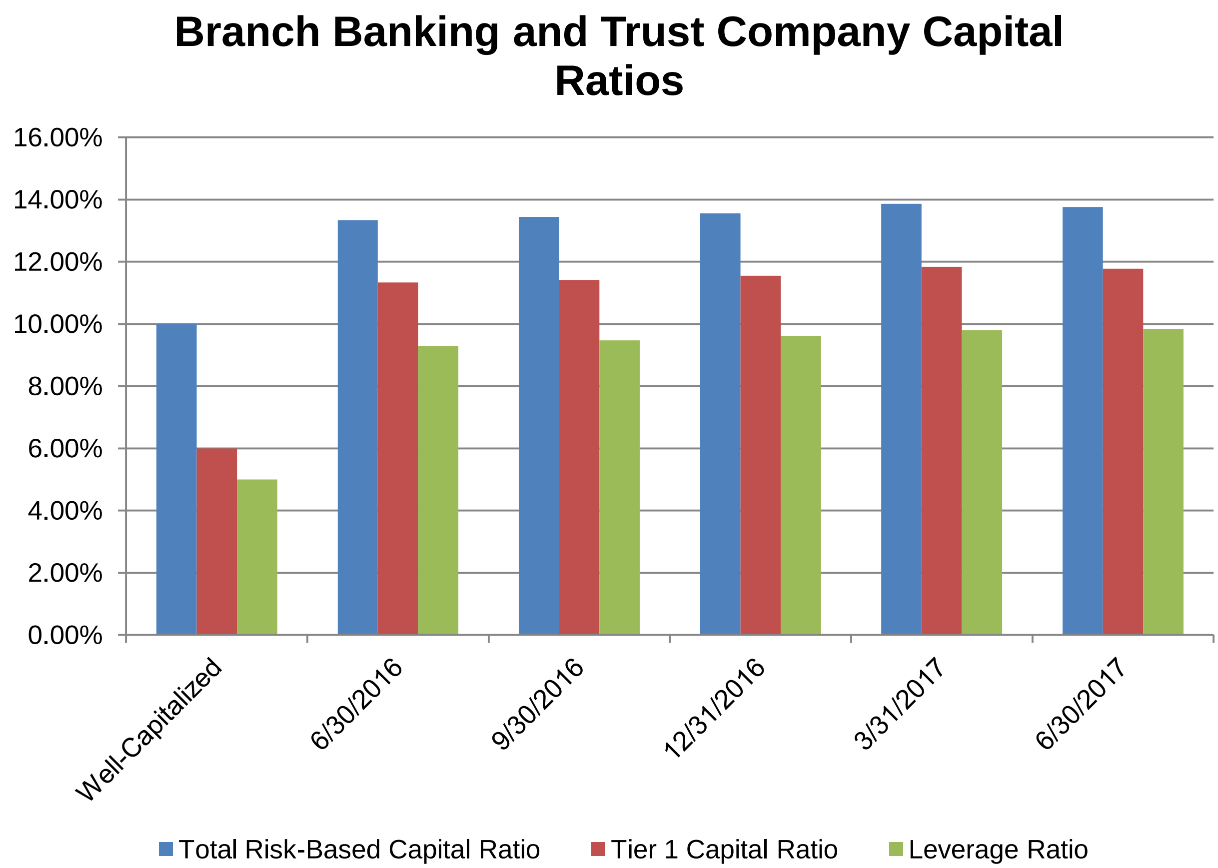


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	50	51	47	48	49	50	37	46
Peer Group Ranking (Percentile)	51	54	52	55	50	55	27	43
Regional Rating	69	69	65	65	66	66	57	62
Regional Ranking (Percentile)	73	72	69	67	69	69	48	64

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	0.70	0.69	0.65	0.63	0.53
Asset Quality Ranking	67	63	65	68	73

Capital Adequacy. Branch Banking and Trust Company is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as shown below.



Collateral Review. Branch Banking & Trust Company maintained collateral coverage in its Act 72 collateral pool of 101.04% of public funds held for deposit as of July 31, 2017.

The collateral securing the deposits consists of securities issued by Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC). These securities are either direct obligations of the agencies or pools of residential mortgages that meet the criteria for conforming loans set by regulators for these federal agencies. These federal agency pooled securities are highly rated and highly liquid. These pooled securities are guaranteed by the federal agencies so that the securities maintain their value even if the underlying mortgages encounter problems.

Centric Bank

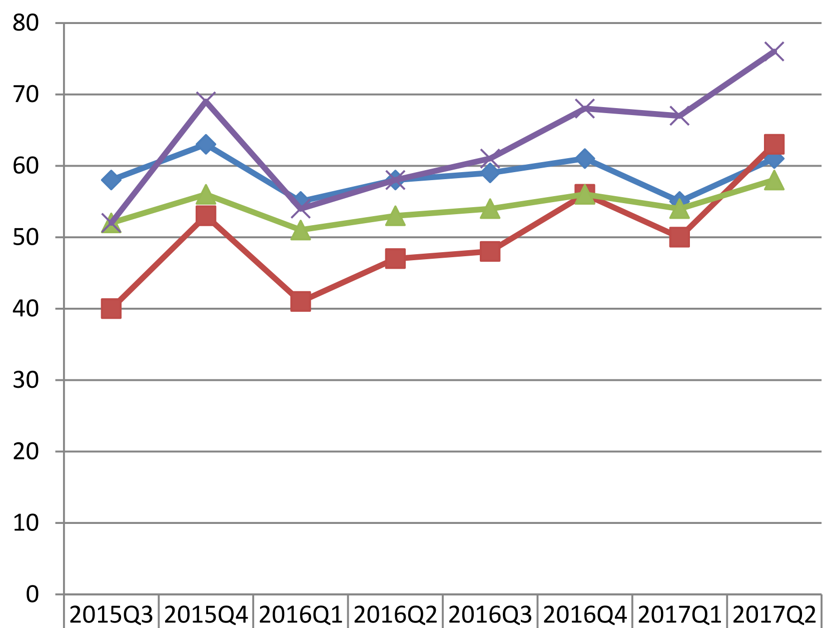
Overview. Centric Financial Corporation, Inc. ("Centric") (OTC Pink: CFCX), the holding company for Centric Bank, reported unaudited results for the first six months of 2017 of $2,006,000 in net income, an 85% increase over the $1,087,000 reported for the same period 2016. Net income for the second quarter 2017 increased 74% to $1,225,000 over the same quarter for 2016. Net income per share for the quarter ended June 30, 2017 was $.19 as compared to $.11 for the same period in 2016. Earnings per share for the period ended June 30, 2017 was $.32 for the first six months of 2017, up $.15 over the same period 2016.

"The acceleration of our double-digit loan growth, specifically commercial loans to small business and commercial real estate, is the result of our team's efforts in the markets we serve and a strong indication of small business optimism. We continue to answer the call for entrepreneurs and owners and provide access to capital for the job creators. Today, we have crested a half-billion in assets with four financial centers, two loan production offices, over 110 employees, and Doctor Centric Bank, our concierge banking subsidiary—all serving central Pennsylvania, suburban Philadelphia, Lehigh Valley, and western New Jersey. We remain a leader in SBA lending in the Commonwealth," says Patricia A. (Patti) Husic, President & CEO of Centric Bank and Centric Financial Corporation. "By nearly every measure, we are shattering expectations with record-breaking organic loan growth and one of the finest teams in the banking industry."

Credit Ratings. Neither Centric Financial Corporation nor Centric Bank has a long-term credit rating.

Peer Group Ratings. Centric Bank's Bank Insight peer group rating for June 30 was "61", placing the bank in the 63rd percentile of its peer group of banks with total assets between $500 million and $999 million. Centric Bank moved into a new peer group in the first quarter puff 2017 as its assets exceeded $500 million for the first time so that it is now compared to a different set of institutions. Bank Insight ratings and rankings for the last two years were:

Centric Bank Peer Group Ratings and Rankings

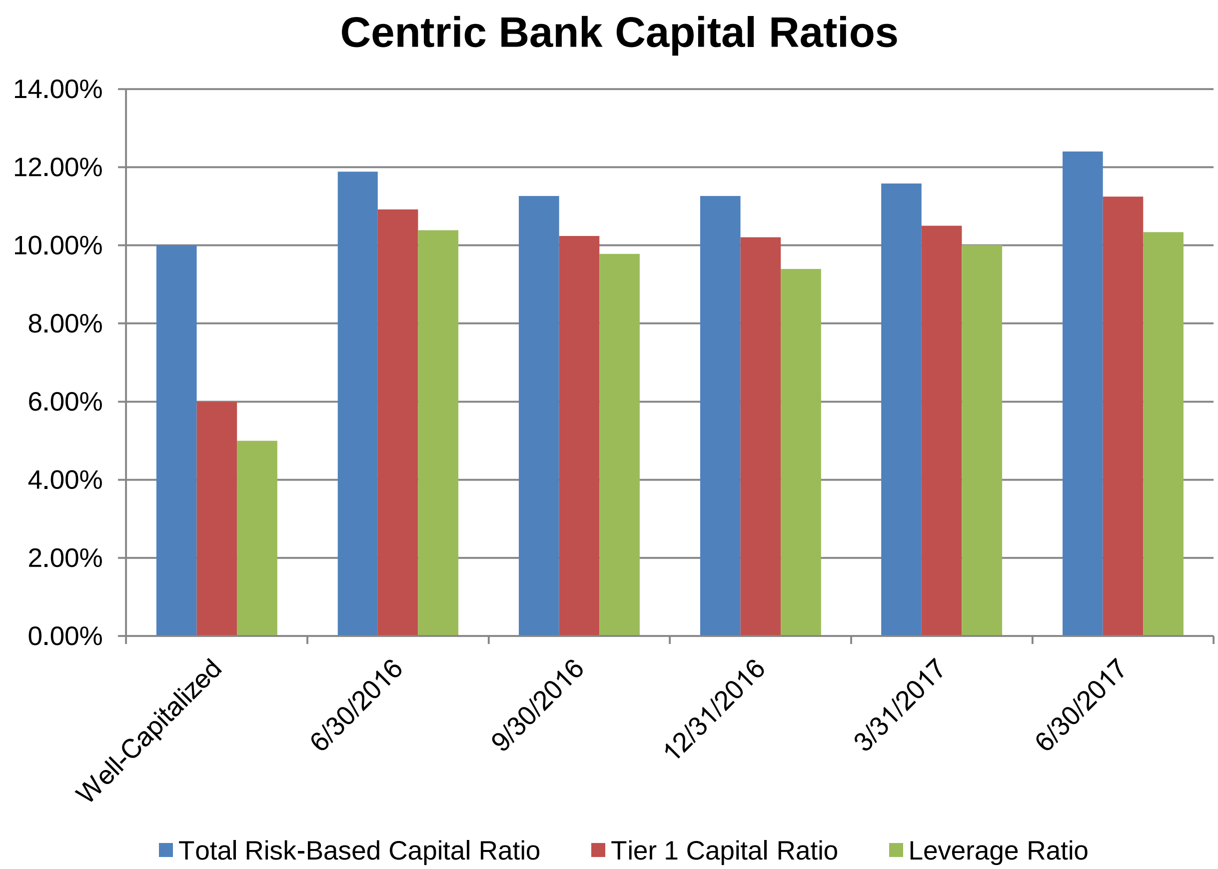


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	58	63	55	58	59	61	55	61
Peer Group Ranking (Percentile)	40	53	41	47	48	56	50	63
Regional Rating	52	56	51	53	54	56	54	58
Regional Ranking (Percentile)	52	69	54	58	61	68	67	76

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	0.43	0.5	0.35	0.29	0.28
Asset Quality Ranking	72	68	75	80	82

Capital Adequacy. Centric Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.



Collateral Review. Centric maintained collateral coverage of 234.47% of public funds held for deposit as of May 31, 2017. The collateral consisted of federal agency securities such as GNMA, FNMA FHLMC and FHLB. The securities are held in a pledged account at the Federal Home Loan Bank of Pittsburgh.

Citibank N.A.

Quarterly Results. Citigroup Inc. reported net income for the second quarter 2017 of $3.9 billion, or $1.2 per diluted share, on revenues of $17.9 billion. This compared to net income of $4.0 billion, or $1.24 per diluted share, on revenues of $17.5 billion for the second quarter 2016.

Citi CEO Michael Corbat said, “During the quarter, we saw continued momentum in our businesses, with loan and revenue growth across both sides of the house. Our Global Consumer Bank posted revenue growth in all three regions. Our Institutional Clients Group had a very strong quarter all-around, including its best Investment Banking performance in seven years.

“The $3.9 billion of net income helped generate additional regulatory capital. Our Common Equity Tier 1 capital ratio grew to 13.0%, well above the 11.5% we believe we need to prudently operate the firm. Our recently announced 2017 capital plan includes a return of $18.9 billion enabling us to reduce the amount of capital we hold. We are clearly on course to increase both the return on capital and return of capital for our shareholders,” Mr. Corbat concluded.

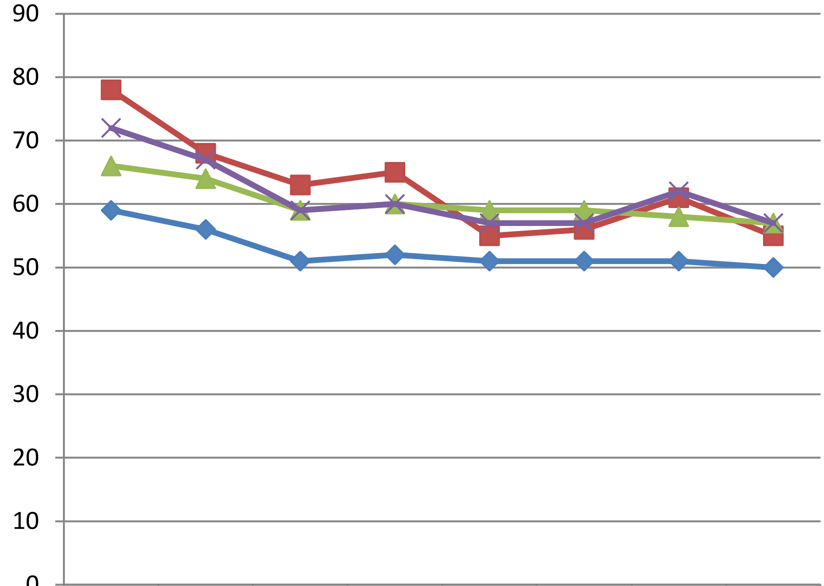
Revenues increased 2% from the prior year period, driven by growth in *Institutional Clients Group (ICG)* and *Global Consumer Banking (GCB)*, partially offset by lower revenues in *Corporate / Other*. Net income of $3.9 billion decreased 3%, as the higher revenues were more than offset by higher cost of credit and operating expenses, as well as a higher effective tax rate. Earnings per share of $1.28 increased 3% from $1.24 per diluted share in the prior year period, driven by a 6% reduction in average diluted shares outstanding, partially offset by the lower net income.

Ratings. Ratings for both Citigroup and Citibank are as follows:

	Moody's	S&P	Fitch
Citigroup			
Long-Term Ratings	Baa1	BBB+	A
Outlook	Stable	Stable	Stable
Citibank, N.A.			
Long-Term Ratings	A1	A+	A+
Outlook	Stable	Stable	Stable

Citibank’s Bank Insight peer group rating for June 30 was “50”, placing the bank in the 55td percentile of its peer group of banks with total assets exceeding $10 billion. Bank Insight ratings and rankings for the last two years were:

Citibank Peer Group Ratings and Rankings

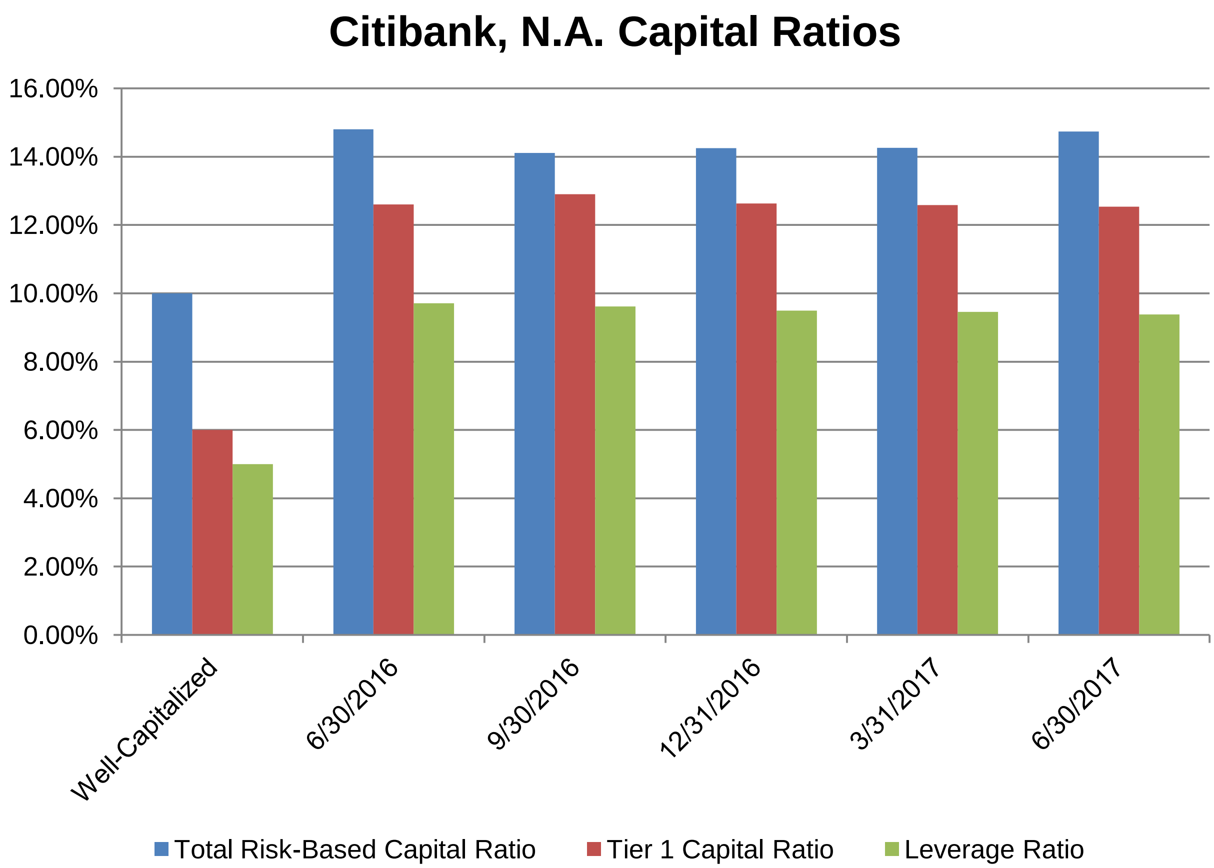


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	59	56	51	52	51	51	51	50
Peer Group Ranking (Percentile)	78	68	63	65	55	56	61	55
Regional Rating	66	64	59	60	59	59	58	57
Regional Ranking (Percentile)	72	67	59	60	57	57	62	57

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	1.16	1.14	1.19	1.10	1.00
Asset Quality Ranking	31	33	28	32	33

Capital Adequacy. Citibank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

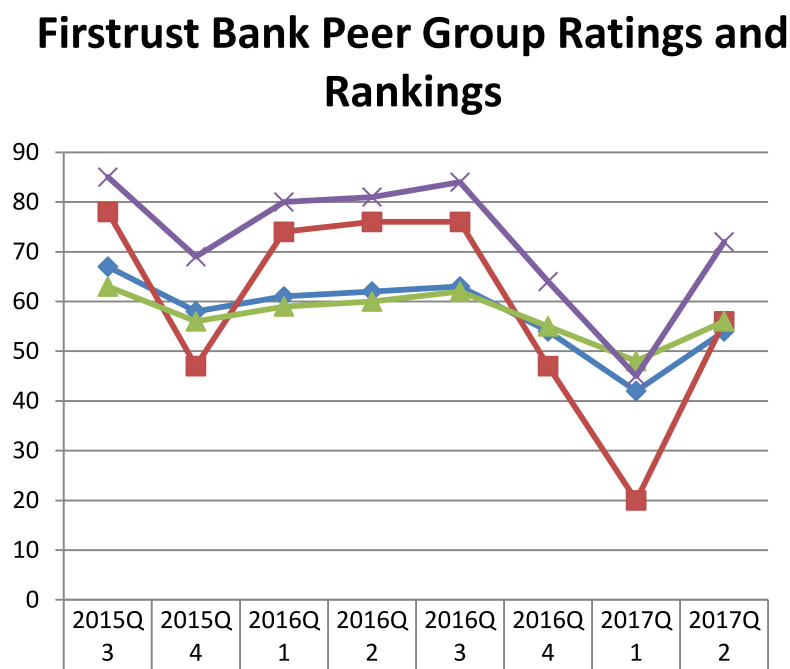


Firstrust Saving Bank

Overview. Firstrust Savings Bank, based in Conshohocken, was established in 1934 and has $3.07 billion in assets. The bank reported net income of $12,733,000 for the second quarter of 2017, compared to net income of $9,139,000 for the corresponding quarter in 2016. Net interest margin was steady at 4.19% for the second quarter of 2017 compared to 4.13% for the first quarter of 2017. Nonperforming assets were 0.67% of total assets as of June 30, 2017 compared to 0.74% as of March 31, 2017 and 0.74% as of June 30, 2016.

Credit Ratings. Firstrust Savings Bank does not have a long-term credit rating.

Peer Group Ratings. Firstrust Savings Bank's Bank Insight peer group rating for June 30 was "54", placing the bank in the 56th percentile of its peer group of banks with total assets between $1 billion to $4.9 billion. Bank Insight ratings and rankings for the last two years were:

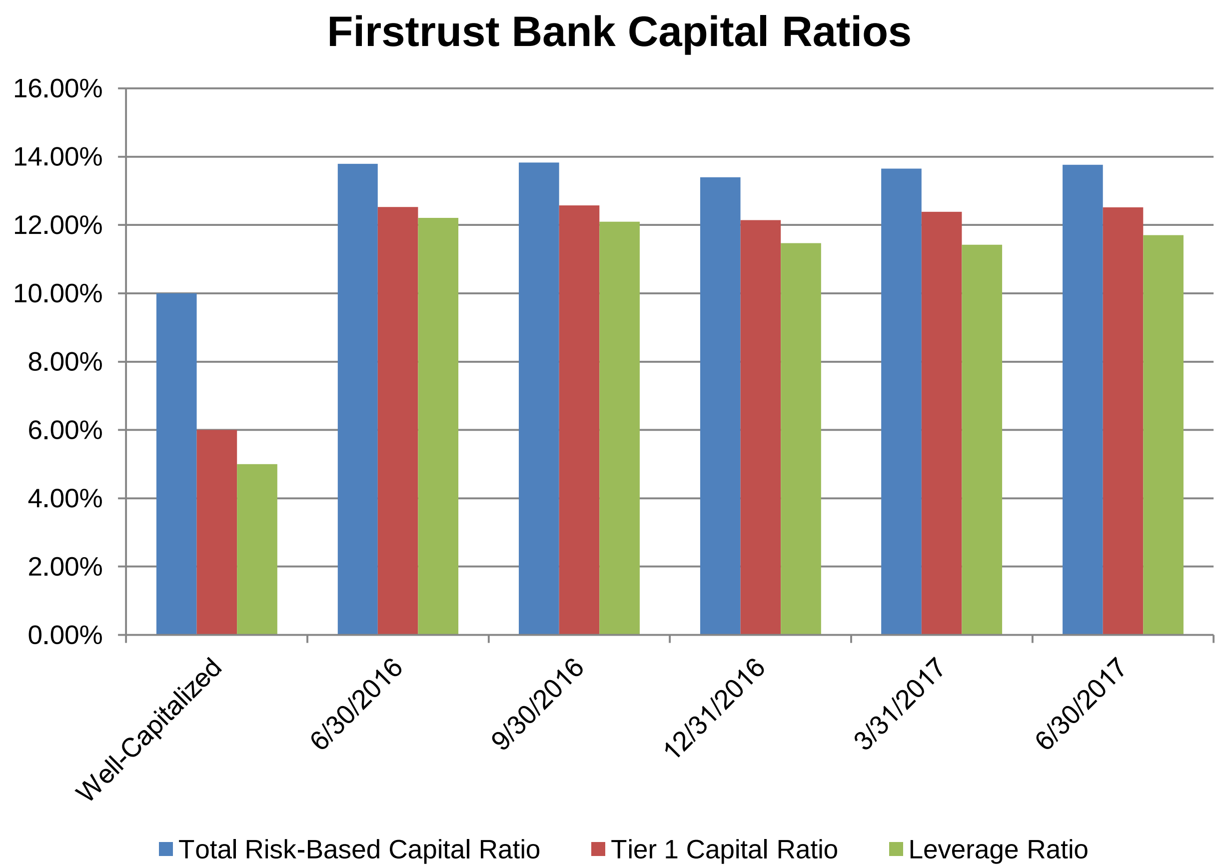


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	67	58	61	62	63	54	42	54
Peer Group Ranking (Percentile)	78	47	74	76	76	47	20	56
Regional Rating	63	56	59	60	62	55	48	56
Regional Ranking (Percentile)	85	69	80	81	84	64	45	72

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	0.60	0.58	0.75	0.69	0.60
Asset Quality Ranking	64	61	45	48	54

Capital Adequacy. Firstrust Savings Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as shown below.



Collateral Review. Firstrust Savings Bank maintained collateral coverage of 375.205% of public funds held for deposit as of June 30, 2017. The report stated that the collateral was held at the Federal Home Loan Bank of Pittsburgh as custodian for the collateral pool. This use of a third-party custodian is a recommended way to protect school district depositors in the event of a bank default. The collateral consisted of United States Treasury and federal agency securities.

Monument Bank

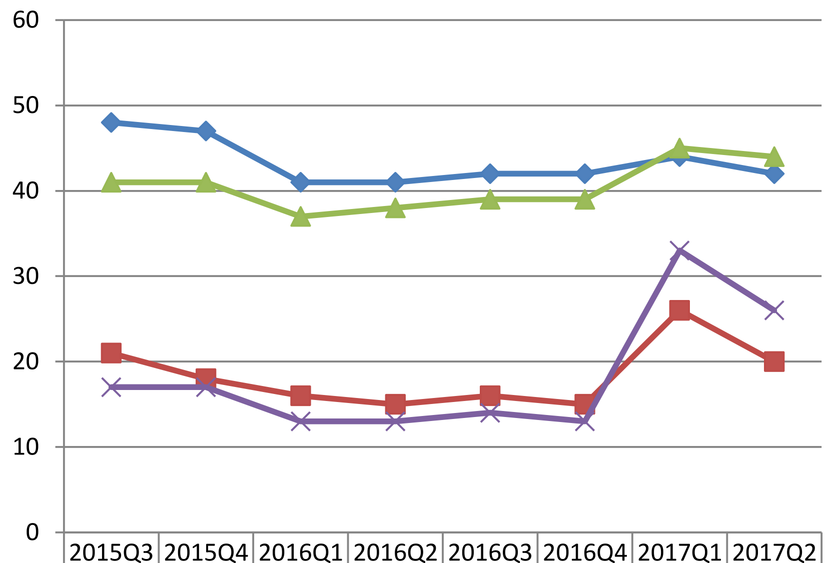
Overview. Monument Bancorp, Inc. announced the March 24, 2017 completion of a $7 million aggregate principal amount of subordinated notes due April 1, 2027 with a 6.5% interest rate. The notes include a right of prepayment after April 1, 2022 and qualify as Tier 2 capital. The interest bearing notes represented a private placement with accredited investors. Monument Bancorp, Inc. became an active bank holding company on February 1, 2017 when it assumed ownership of Monument Bank (the "Bank"). The Bank is a wholly-owned subsidiary of the Company. The Bank was established as a Pennsylvania state-chartered bank in 2008 and as of December 31, 2016 had total assets of approximately $290 million with two full-service branch banking offices and one loan production office.

The bank had $311 million in assets at June 30, 2017. The bank reported net income of $602,000 for the quarter ended June 30, 2017 compared to net income of $289,000 for the corresponding period in 2016. Non-performing assets were 1.19% of total assets as of June 30, compared to 1.19% as of March 31, 2017.

Credit Ratings. Monument Bank does not have a long-term credit rating.

Peer Group Ratings. Monument Bank's Bank Insight peer group rating for June 30 was "42", placing the bank in the 20th percentile of its peer group of banks with total assets between $100 million and $499 million. Bank Insight ratings and rankings for the last two years were:

Monument Bank Peer Group Ratings and Rankings

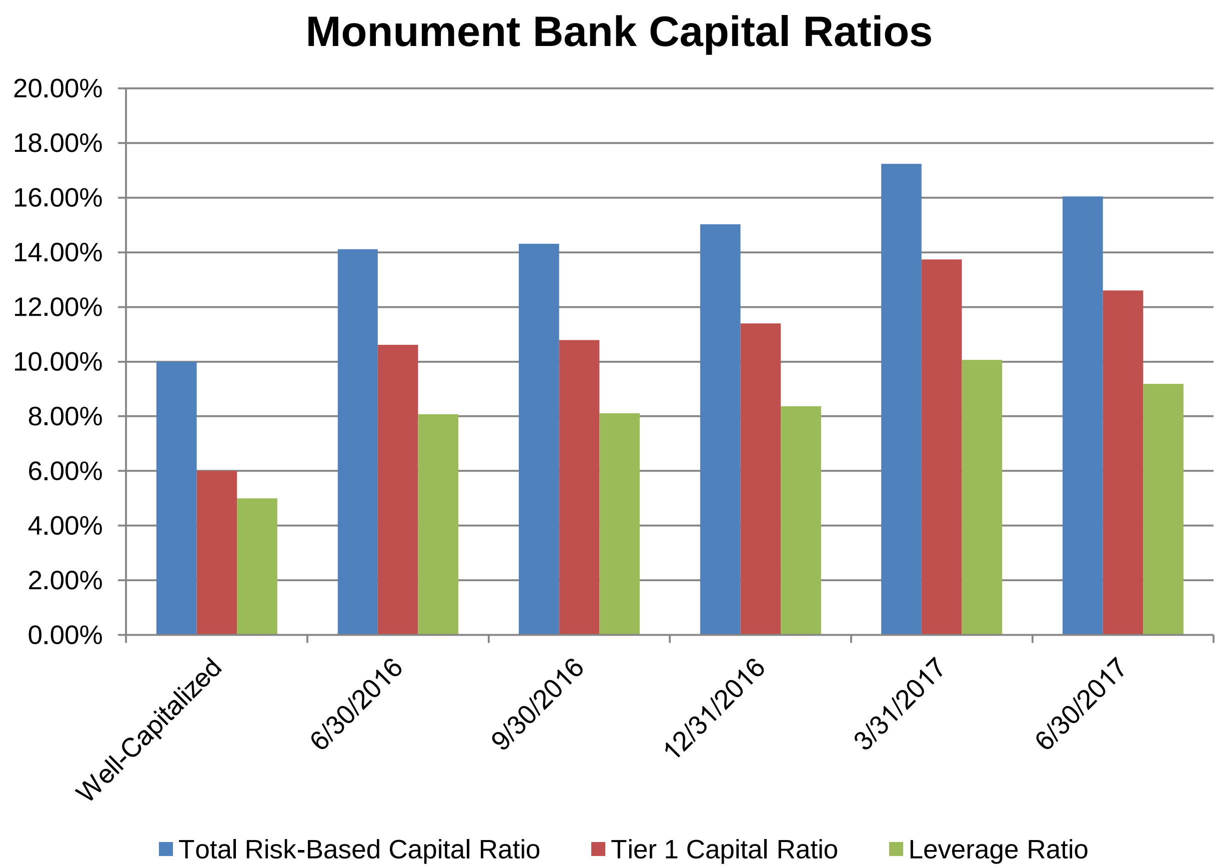


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	48	47	41	41	42	42	44	42
Peer Group Ranking (Percentile)	21	18	16	15	16	15	26	20
Regional Rating	41	41	37	38	39	39	45	44
Regional Ranking (Percentile)	17	17	13	13	14	13	33	26

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	1.34	1.33	1.74	1.69	1.65
Asset Quality Ranking	42	42	28	23	24

Capital Adequacy. Monument Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.



Collateral Review. The bank maintains $6,820,000 of investment securities in a pledged account at the FHLBank Pittsburgh as of March 2017. The securities consist of municipal bonds from inside and outside Pennsylvania and a student loan asset backed security. The information provided by the bank does not indicate the total public funds deposits secured by the account. We suggest that you request collateral information from the bank on at least a quarterly basis.

QNB Bank

Quarterly Results. QNB Corp. (the "Company" or "QNB") (OTC Bulletin Board: QNBC), the parent company of QNB Bank, reported net income for the second quarter of 2017 of $2,386,000, or $0.69 per share on a diluted basis, compared to net income of $2,098,000, or $0.62 per share on a diluted basis, for the same period in 2016. For the six months ended June 30, 2017, QNB reported net income of $5,246,000, or $1.53 per share on a diluted basis. This compares to net income of $4,363,000, or $1.29 per share on a diluted basis, reported for the same period in 2016.

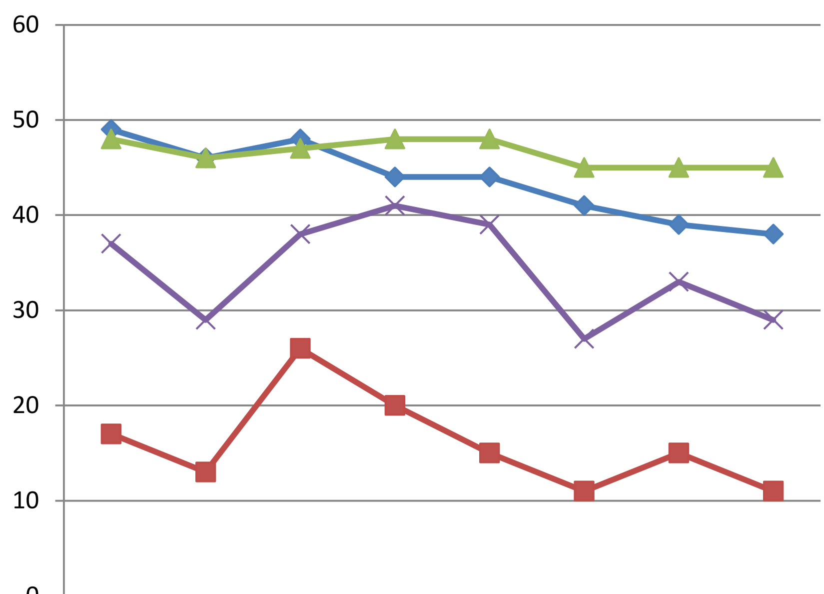
Total assets as of June 30, 2017 were $1,120,523,000 compared with $1,063,141,000 at December 31, 2016. Loans receivable at June 30, 2017 were $695,213,000 compared with $633,079,000 at December 31, 2016, an increase of $62,134,000, or 9.8%. Total deposits at June 30, 2017 were $951,314,000, increasing $37,959,000, or 4.2%, compared with $913,355,000 at December 31, 2016.

"QNB is pleased to report increased net income and earnings per share for both the second quarter and year-to-date 2017," said David W. Freeman, President and Chief Executive Officer. "Net income for the first half of 2017 is our highest yet. We continue to see strong loan, deposit, and household growth. Asset quality and net interest margin continue to improve."

Credit Ratings. QNB Corp and QNB Bank do not have long-term credit ratings.

Peer Group Ratings. QNB Bank's Bank Insight peer group rating for June 30 was "38", placing the bank in the 11th percentile of its peer group of banks with total assets of $1 billion to $4.9 billion. QNB Bank moved into a new peer group in the first quarter of 2016 as its assets dropped below $1 billion so that was compared to a different set of institutions for that quarter. The bank's assets have exceeded $1 billion since then. Bank Insight ratings and rankings for the last two years were:

QNB Bank Peer Group Ratings and Rankings



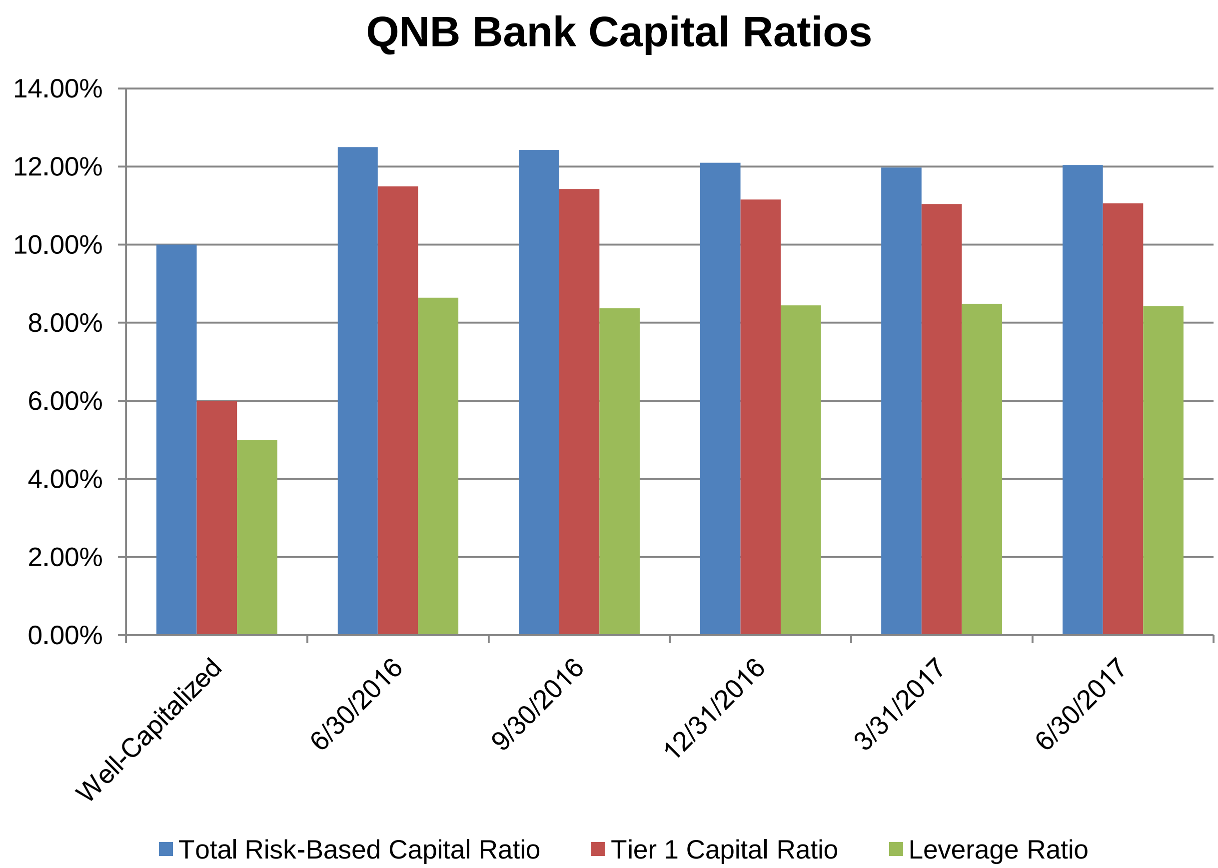
	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	49	46	48	44	44	41	39	38
Peer Group Ranking (Percentile)	17	13	26	20	15	11	15	11
Regional Rating	48	46	47	48	48	45	45	45
Regional Ranking (Percentile)	37	29	38	41	39	27	33	29

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	1.40	1.31	1.54	1.40	1.31

Asset Quality Ranking	24	25	16	18	20

Capital Adequacy. QNB Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the following measurements.



Collateral Review. The Bank maintained collateral coverage in its Act 72 collateral pool of 111.76% of public funds held for deposit as of September 30, 2016 and 109.65% of public funds held for deposit as of June 30, 2016. The letter does not indicate whether the securities are held by a third party custodian or by the bank itself. The collateral securities consist of full faith and credit obligations of the United States Government or fixed rate obligations of government sponsored enterprises such as GNMA, Federal Home Loan Bank, FNMA, FHLMC and Federal Farm Credit.

Santander Bank

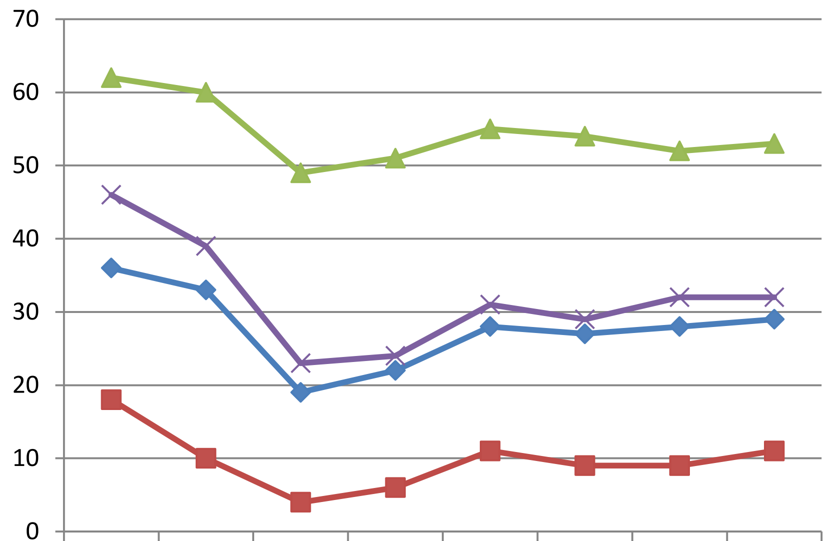
Quarterly Results. Santander Holdings USA Inc. is the holding company for Santander Bank, N.A. and is in turn owned by Banco Santander SA in Spain. The bank had $79,375 million in assets at June 30, 2017. The bank reported net income of $90.875 million for the quarter ended June 30, 2017 compared to net income of $92.565 million for the corresponding period in 2016. Non-performing assets were 1.16% of total assets as of June 30, compared to 1.17% as of March 31, 2017.

Credit Ratings. Credit ratings for Banco Santander, the Bank's parent company, and Santander Bank are shown below.

	Moody's	S&P	Fitch
Banco Santander SA			
Long-Term Ratings	A3	A-	A-
Outlook	Stable	Stable	Stable
Santander Bank, N.A.			
Long-Term Ratings	A2	BBB+	
Outlook	Stable	Stable	

Peer Group Ratings. Santander Bank's Bank Insight peer group rating for June 30 was "29", placing the bank in the 11th percentile of its peer group of banks with total assets greater than $10 billion. Bank Insight ratings and rankings for the last two years were:

Santander Bank Peer Group Ratings and Rankings

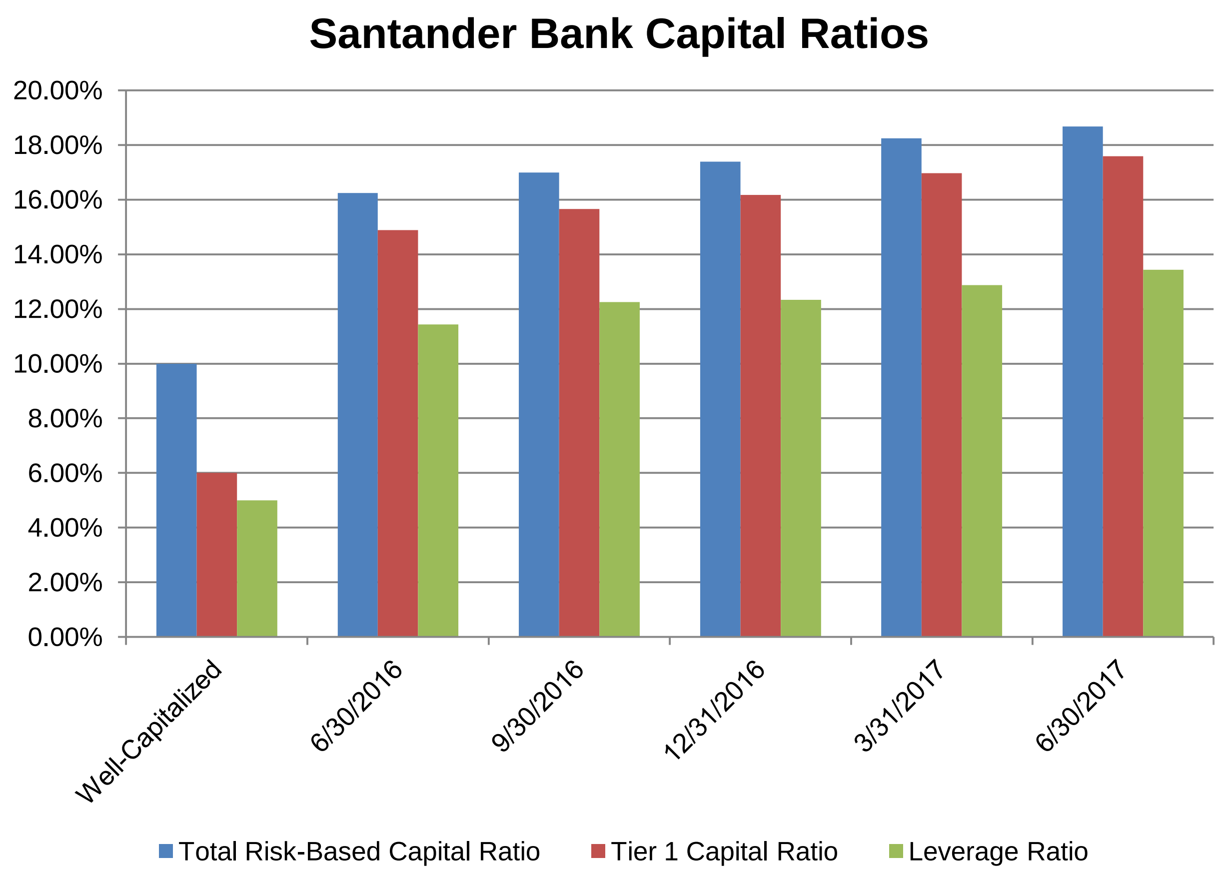


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	36	33	19	22	28	27	28	29
Peer Group Ranking (Percentile)	18	10	4	6	11	9	9	11
Regional Rating	62	60	49	51	55	54	52	53
Regional Ranking (Percentile)	46	39	23	24	31	29	32	32

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	1.33	1.22	1.18	1.20	1.30
Asset Quality Ranking	24	28	29	24	16

Capital Adequacy. Santander Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.



Collateral Review. Santander Bank maintained collateral coverage of 106.21% as of December 31, 2016. The information available for June 30, 2017 did not include the amount of public funds secured by the collateral pool. The collateral is held at the Bank of New York in the name of Santander Bank and is subject to a written security agreement. This use of a third-party custodian is a recommended way to protect school district depositors in the event of a bank default. Santander's June 30, 2017 collateral portfolio consisted of federal agency securities and a AAA rated collateralized mortgage security. .

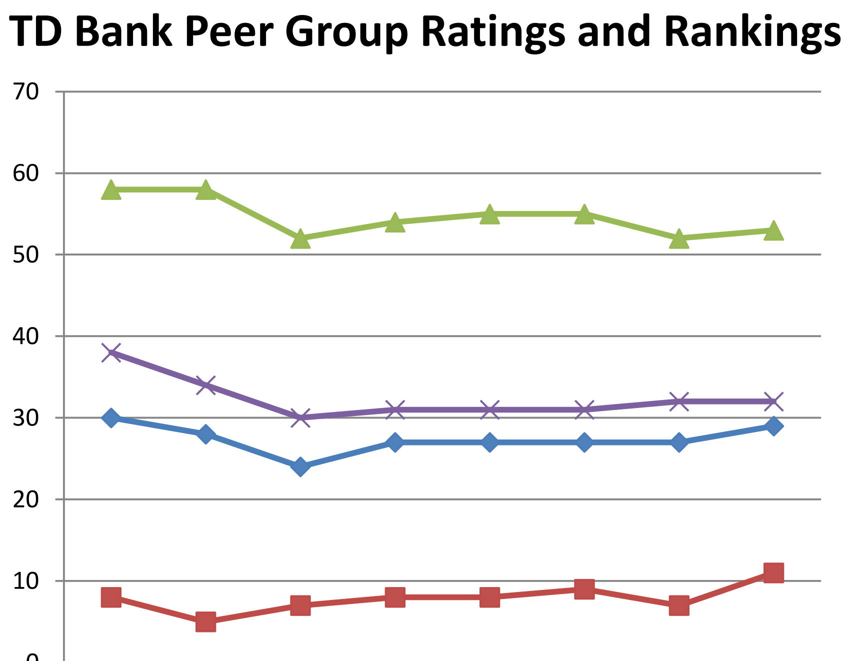
TD Bank

Quarterly Results. Toronto-Dominion Bank of Canada is the parent company of TD Bank US Holding Company which owns TD Bank, N.A. The bank had $268,185 billion in assets at June 30, 2017. The bank reported net income of $487.072 million for the quarter ended June 30, 2017 compared to net income of $368.728 million for the corresponding period in 2016. Non-performing assets were 0.62% of total assets as of June 30, compared to 0.71% as of March 31, 2017.

Credit Ratings. The ratings for Toronto-Dominion Bank and TD Bank, N.A. are as follows:

	Moody's	S&P	Fitch
Toronto-Dominion Bank			
Long-Term Ratings	Aa2	AA-	AA-
Outlook	Negative	Stable	Stable
TD Bank, N.A.			
Long-Term Ratings	Aa2	AA-	AA-
Outlook	Stable	Stable	Stable

Peer Group Ratings. TD Bank's Bank Insight peer group rating for June 30 was "29", placing the bank in the 11h percentile of its peer group of banks with more than $10 billion in total assets. Bank Insight ratings and rankings for the last two years were:

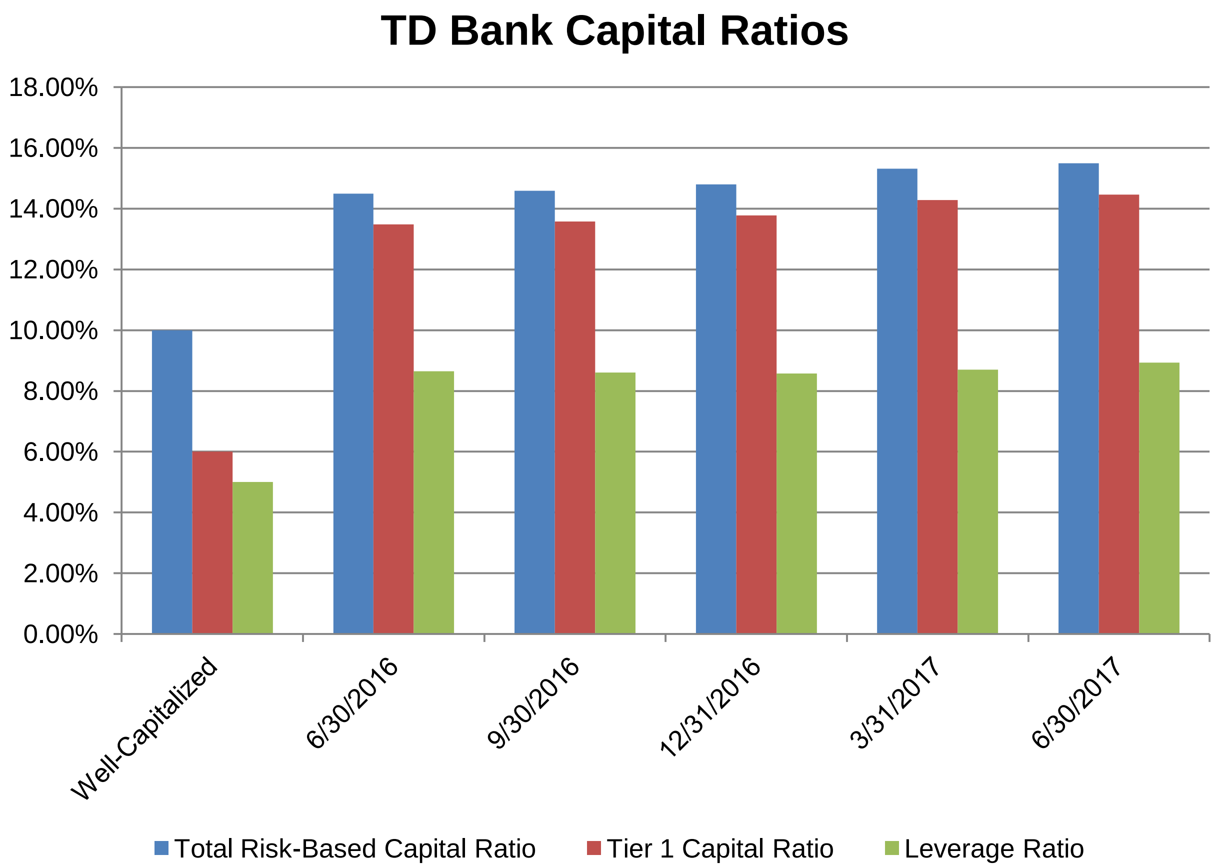


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	30	28	24	27	27	27	27	29
Peer Group Ranking (Percentile)	8	5	7	8	8	9	7	11
Regional Rating	58	58	52	54	55	55	52	53
Regional Ranking (Percentile)	38	34	30	31	31	31	32	32

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	1.34	1.29	1.28	1.25	1.18
Asset Quality Ranking	21	25	24	20	23

Capital Adequacy. TD Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.



Collateral Review. TD Bank maintained collateral coverage of 102.2% as of August 31, 2017 and 104.3% as of July 31, 2017 of public funds held for deposit.

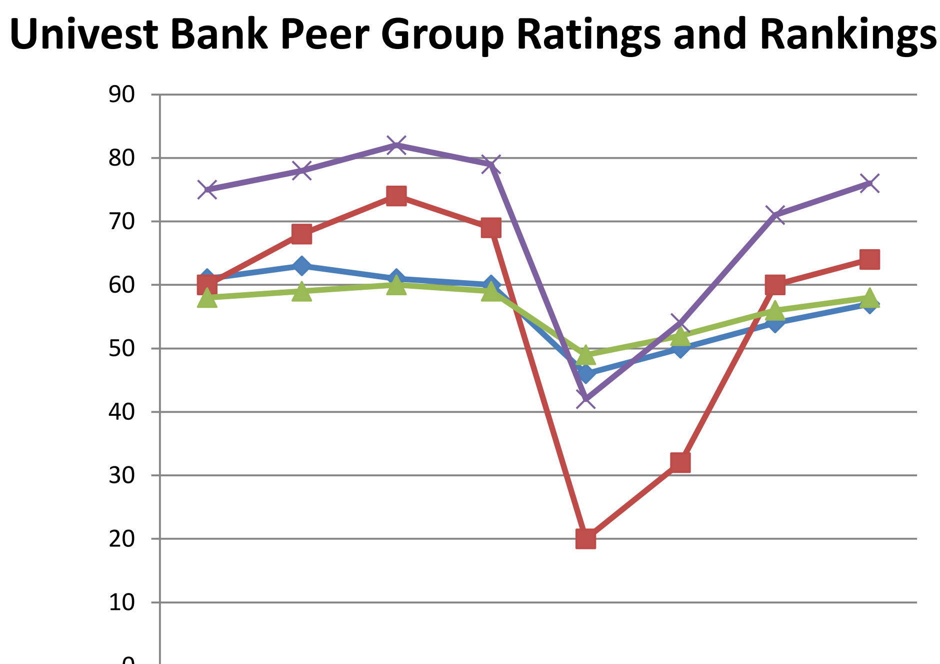
The securities in TD's collateral pool as of August 31 consist of asset-backed securities (ABS) backed by credit card loan receivables. An ABS is a debt obligation backed by financial assets such as credit card receivables, auto loans and home-equity loans. The financial institutions that originate the loans sell pools of the loans to a special purpose-vehicle, usually a corporation that sells them to a trust. The loans are then repackaged by the trust as interest-bearing securities issued by the trust and sold to investors by investments banks that underwrite them. The securities are generally provided with credit enhancement, whether internal (such as over-collateralization) or external (such as a surety bond or third party guarantee). These types of ABS securities are generally considered to be of high quality but may be subject to volatility in times of economic recession.

Univest Bank and Trust Co.

Overview. Univest Corporation of Pennsylvania ("Univest" or the "Corporation") (NASDAQ:UVSP), parent company of Univest Bank and Trust Co. ("Bank") and its insurance, investments and equipment financing subsidiaries, announced financial results for the quarter ended June 30, 2017 of $11.8 million, or $0.44diluted earnings per share, compared to net income of $5.2 million, or $0.27 diluted earnings per share, for the three months ended June 30, 2016. Net income for the six months ended June 30, 2017 was $22.6 million, or $0.85 diluted earnings per share, compared to net income of $12.5 million, or $0.64 diluted earnings per share, for the comparable period in the prior year. The financial results for the three and six months ended June 30, 2017 included a tax-free bank owned life insurance ("BOLI") death benefit claim of $889 thousand, which represents $0.03 diluted earnings per share in each period. The financial results for the three and six months ended June 30, 2016 included acquisition and integration costs related to the acquisition of Fox Chase Bancorp ("Fox Chase") of $1.2 million and $1.4 million, or $0.06 and $0.07 of diluted earnings per share net of tax, respectively. There were no acquisition and integration costs during the six months ended June 30, 2017.

Credit Ratings. Neither Univest Corp. of Pennsylvania nor Univest Bank and Trust Co. has a long-term credit rating.

Peer Group Ratings. Univest Bank's Bank Insight peer group rating for June 30 was "57", placing the bank in the 64th percentile of its peer group of banks with total assets between $1 billion to $4.9 billion. Bank Insight ratings and rankings for the last two years were:

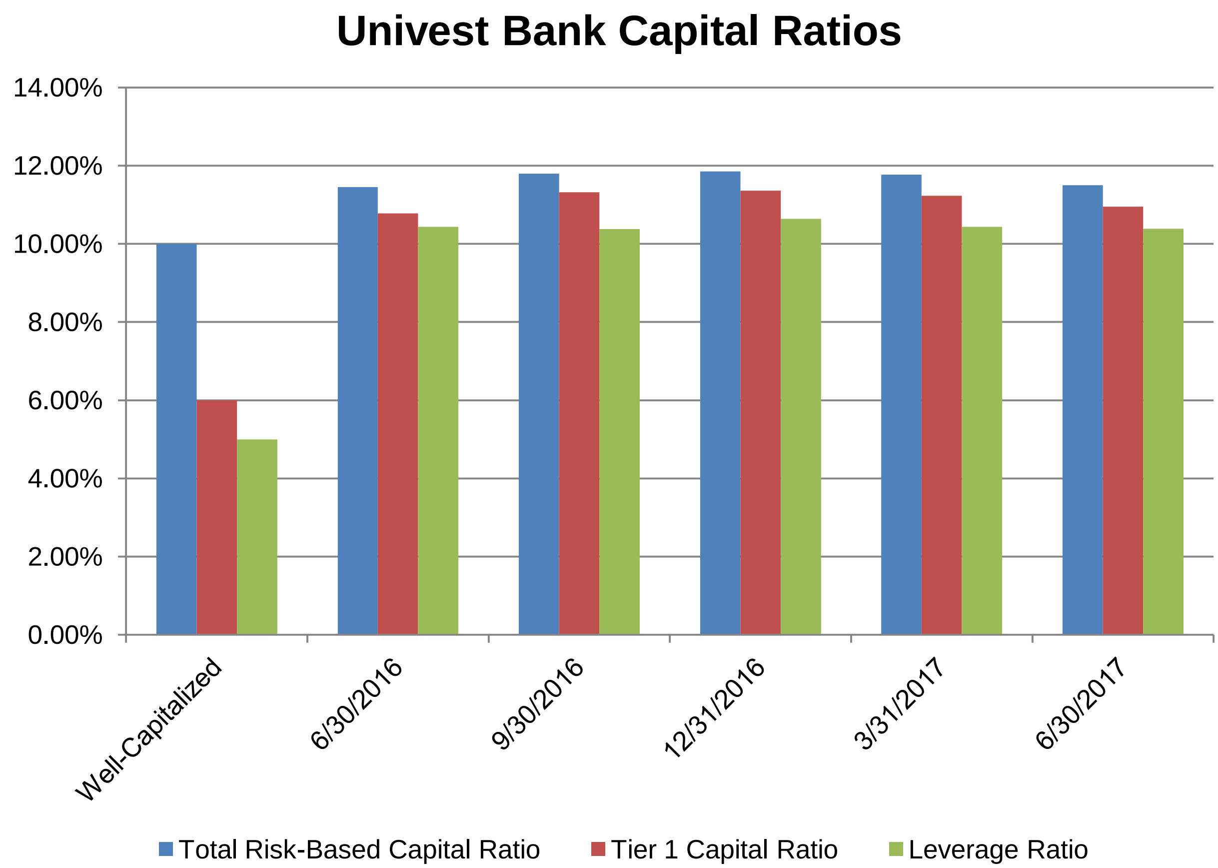


	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Peer Group Rating	61	63	61	60	46	50	54	57
Peer Group Ranking (Percentile)	60	68	74	69	20	32	60	64
Regional Rating	58	59	60	59	49	52	56	58
Regional Ranking (Percentile)	75	78	82	79	42	54	71	76

Asset Quality Ratio. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/31/2017
Asset Quality Ratio	0.73	1.11	0.91	0.90	0.82
Asset Quality Ranking	53	32	38	38	41

Capital Adequacy. Univest Bank and Trust Co. is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as shown below.



Collateral Review. Univest maintained collateral coverage of 108% as of June 30, 2017 and 103.0% of public funds held for deposit as of March 31, 2017. The report for June 30, 2017 showed that the collateral at that time consisted of federal agency securities and a collateralized mortgage obligation.

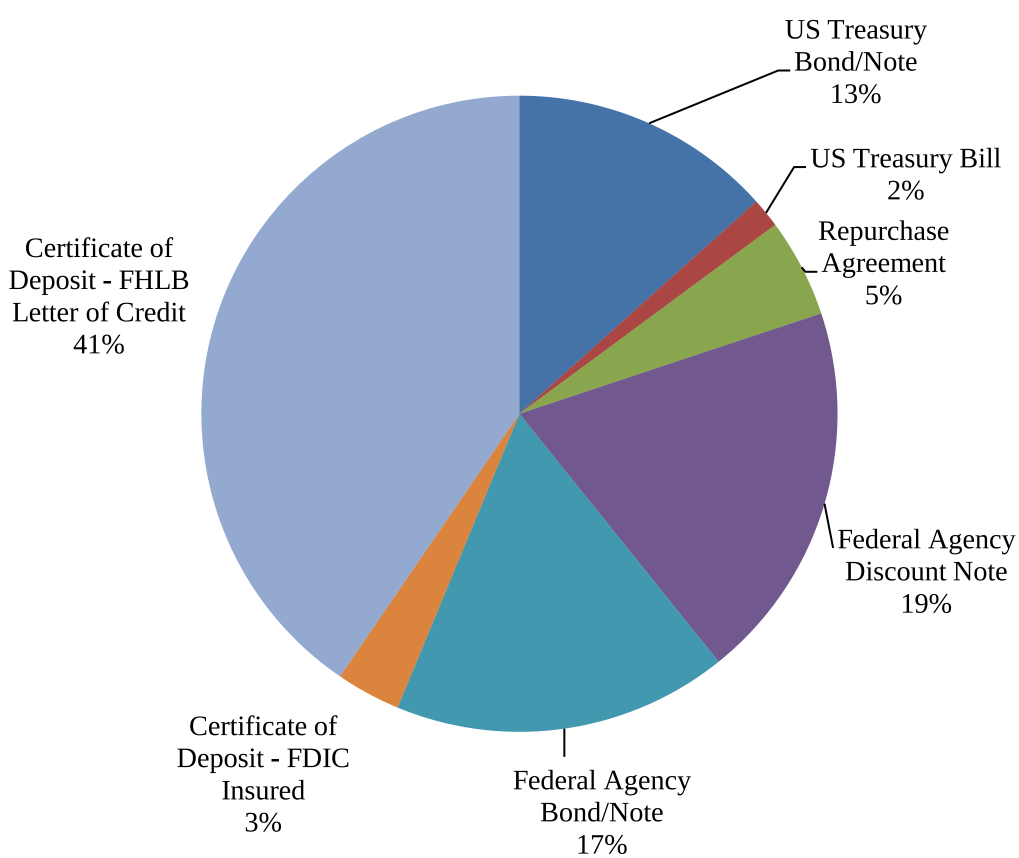
PLGIT AND PSDLAF

Investments placed with PLGIT and PSDLAF are similar to an investment in a AAA rated money market mutual fund (although they are not eligible for SIPC insurance coverage). As such, collateral is not required since the School District owns a proportionate share in the securities held in the Trust. Therefore, it is important to review the detailed listing of securities purchased for the portfolios held by the Trust. A recent review indicates that the securities held are in compliance with the School Code (440.1). Each of the funds is rated AAAm by S&P, the highest rating for a money market type of fund. The AAAm rating is defined by S&P as follows: "Safety is excellent. Superior capacity to maintain principal value and limit exposure to loss."

PSDLAF's Portfolio of Investments as of September 30, 2016 consisted of bank deposits (0.0%). Municipal Bonds (0.8%), U.S. Government Agency and Treasury obligations (41.2%) and repurchase agreements (49.7%).

PLGIT's pooled investment vehicles are similarly invested in a variety of permitted securities. The following chart shows the composition of PLGIT's Plus portfolio as of June 30, 2017.

PLGIT PLUS Composition of Securities in Portfolio
June 30, 2017



Summary

The School District continues to diversify its investments over a variety of financial institutions. The District's General Fund investments were distributed among the financial institutions and funds as of July 31, 2017 as shown in the chart on the last page. The principal amount of each of the FDIC Insured CDs is below the FDIC insurance limit, thus providing additional diversification and safety.

BB&T's Bank Insight peer group ranking climbed from the 27th percentile to the 43rd percentile. BB&T has capital ratios well in excess of the required minimums. BB&T's asset quality ranking is at the 73rd percentile. BB&T provides excellent collateral coverage.

Centric Bank's Bank Insight peer group ranking rose from the 50th percentile to the 63rd percentile. Centric Bank moved into a new peer group in the first quarter as its assets exceeded $500 million for the first time so that it is now compared to a different set of institutions. Centric Bank's asset quality ranking rose to the 82nd percentile. Its capital ratios are above the required minimums. Centric Bank provides excellent collateral coverage.

Citibank's Bank Insight peer group ranking dropped from the 61st percentile to the 55th percentile. The bank's asset quality ratio was at the 33rd percentile. Its capital ratios are well above the required minimums. We do not have current collateral information for the bank.

Firstrust Savings Bank's peer group Bank Insight ranking climbed to the 56th percentile. The bank's asset ranking as of June 30 was at the 54th percentile. Firstrust's capital ratios are substantially in excess of the required minimums. Firstrust Bank provides satisfactory collateral coverage.

Monument Bank's Bank Insight peer group ranking dipped from the 26th percentile to the 20th percentile. Monument Bank has capital ratios well in excess of the required minimums. Monument Bank's asset quality ranking is at the 24th percentile. The bank provides satisfactory collateral coverage.

QNB Bank's peer group Bank Insight ranking dropped back to the 11th percentile. QNB has changed peer groups several times over the last two years as its assets fluctuated above and below the $1 billion threshold. Its asset quality ranking was at the 20th percentile. QNB's capital ratios fell slightly and provide a satisfactory margin above the required minimums. The bank's collateral coverage is satisfactory and the quality of the collateral was very good.

Santander Bank's Bank Insight ranking rose two points to the 11h percentile during the second quarter while its asset quality ranking declined to the 16th percentile. The bank's capital ratios continue to exceed the well-capitalized minimums by a very comfortable margin. Santander's collateral coverage is satisfactory and the quality of the collateral as of June 2017 was very good.

TD Bank's Bank Insight peer group ranking climbed slightly at the 11^{h} percentile while its asset quality ranking rose to the 23rd percentile. It maintains strong margins above the required capital ratio minimums. TD's collateral consists exclusively of highly-rated asset backed securities. Collateral coverage for TD provides a reasonable cushion over the required minimum.

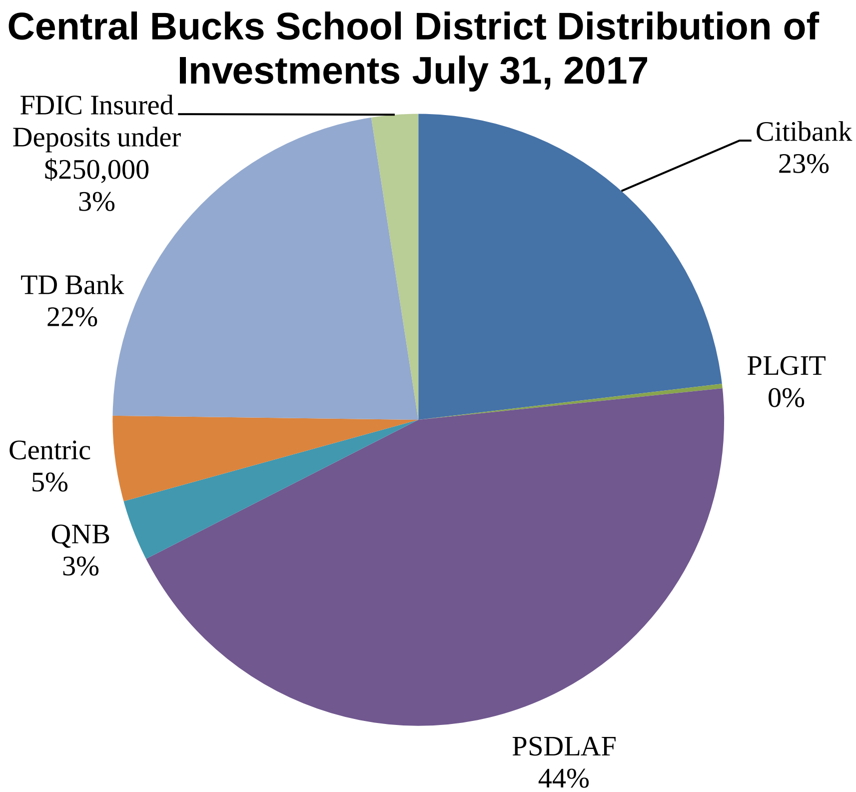
Univest Bank and Trust Co's Bank Insight peer group ranking rose from the 60th percentile to the 64th percentile. The bank's asset quality ratio climbed to the 41st percentile. Its capital ratios are well above the required minimums. Univest provides satisfactory collateral coverage.

We appreciate the opportunity to assist the School District in the investment of its funds.

September 21, 2017 ***LAWLACE CONSULTING LLC***

Disclosure

This report is provided for informational purposes only and shall in no event be construed as an offer to sell or a solicitation of an offer to buy any securities or to recommend investments or deposits or withdrawals from any institution discussed herein. The information described herein is taken from sources which we believe to be reliable, but the accuracy and completeness of such information is not guaranteed by us. The opinions expressed herein may be given only such weight as opinions warrant. Decisions to invest with or to deposit or withdraw funds from any financial institution should be based on the investor's investment objectives and risk tolerance and should not rely solely on the information provided herein.


Central Bucks School District Distribution of Investments July 31, 2017
FDIC Insured Deposits under $250,000 3%
Citibank 23%
TD Bank 22%
PLGIT 0%
Centric 5%
QNB 3%
PSDLAF 44%